	SOP for Integrated Tax System of Inland Revenue Department		
	SOP Number: ITS -DST01	**Effective Date: 2079-05-20**	**Rev: V 1.3**

Title: **Digital Service Tax (DST) and Value Added Tax (VAT) Registration for digital service provided by Non-Resident Person.**

Purpose: **TO DEFINE THE METHODS AND RESPONSIBILITIES FOR DST AND VAT REGISTRATION PROCESS UNDER THE SECTION 20 OF FINANCE ACT, 2022 AND SECTION 10 B1 OF VALUE ADDED TAX ACT, 1996.**

Finance Act 2022 has introduced Digital Service Tax on Digital Service provided by Non Resident Person to the Consumers of Nepal. Digital Service Tax shall be levied at the rate of **2%** of the transaction value of digital service (value excluding indirect tax levied in Nepal).

Scope: **This procedure applies for Digital Service Tax and Value Added Tax Registration.**

Responsibilities: The **Taxpayer** is responsible for providing all information required for DST registration as required by IRD regulation. Taxpayers can use e-filling or fill up prescribed forms and submit to the Large Taxpayer Office (LTO).

Tax Officers are responsible for ensuring the correctness and adequacy of the information provided by the taxpayer and verification of the registration.

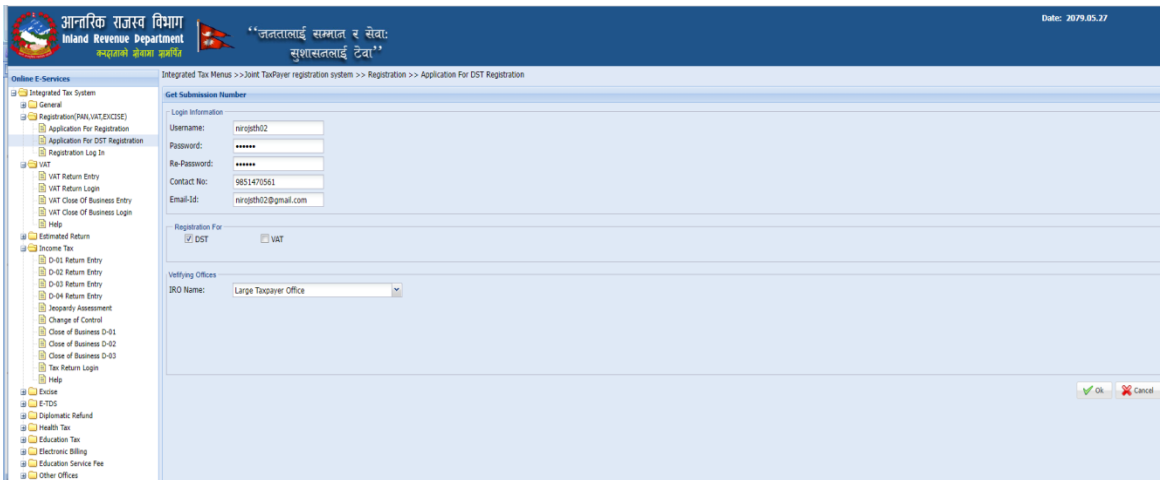
1.0 Application for DST Registration

This application is used for digital services provided by Non-Resident Person in Integrated Tax System.

Procedure

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

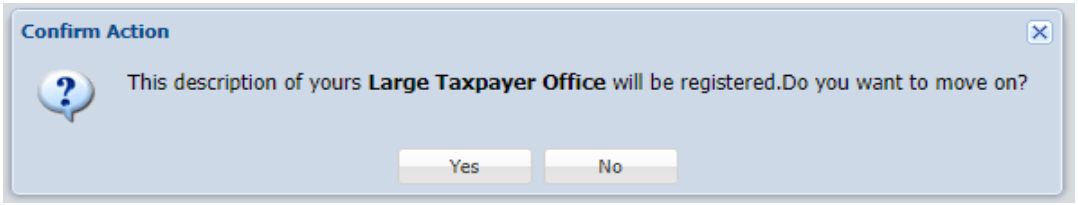
- Click on Taxpayer Portal link to open Taxpayer Portal menu.
- Expand 'Registration for (**PAN, VAT, EXCISE, DST**) by clicking on the '+' sign beside 'Application for DST Registration.
- Following screen will be displayed:



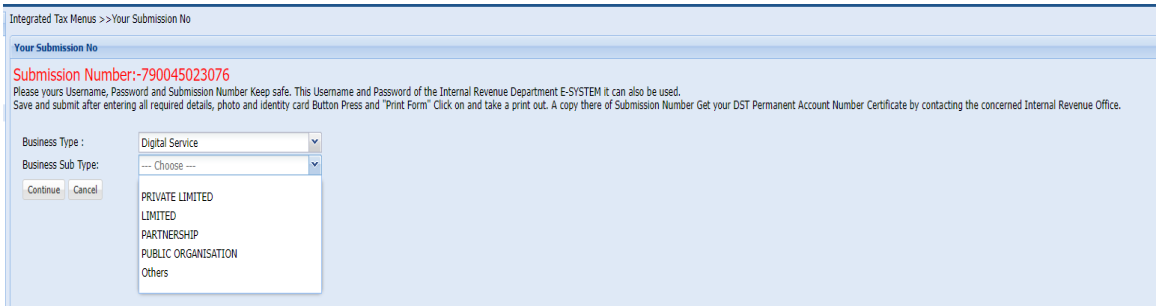
- It is necessary to obtain a Submission Number for each application. This submission number serves as an identification number for the application. Fill up the form above where

- Username – Username is case sensitive. This username will be used to open the application document again if the application was partially filled previously. Hence applicant must note the username.
- Password – Password is case sensitive and must be six characters or more. Password will be required to open previously saved documents later. Hence applicant must note the password.
- Re-Password – Re-enter the password again just to confirm the previously typed password.
- Contact No – Type in a Contact number.
- Email-id – Type in Email Id
- Enable check-box Registration for: **DST or VAT.**
- For verifying office
- Select the IRO Name from the drop-down list
- Click

button.
- Message pop-up stating :



- Click **Yes** button to move on.
- Following screen is displayed; where Submission Number is auto generated.
- Select Business Type and Business Sub Type from drop-down list.
- Click **Continue** button.



Firm Description

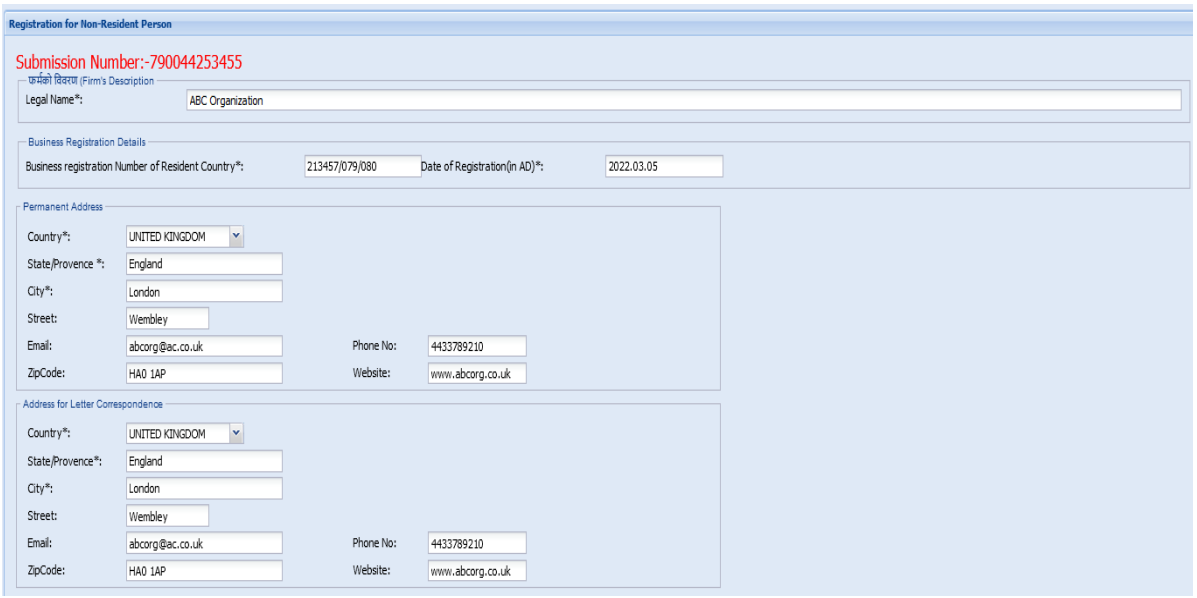
- Enter Name.

Business Registration Detail

- Enter Business Registration Number of country of Residence.
- Enter Date of Registration (in AD).

Permanent Address & Address for Letter Correspondence

- Select Country drop-down list.
- Enter State/Province, City, Street, Email, Phone No, Zip Code and Website.

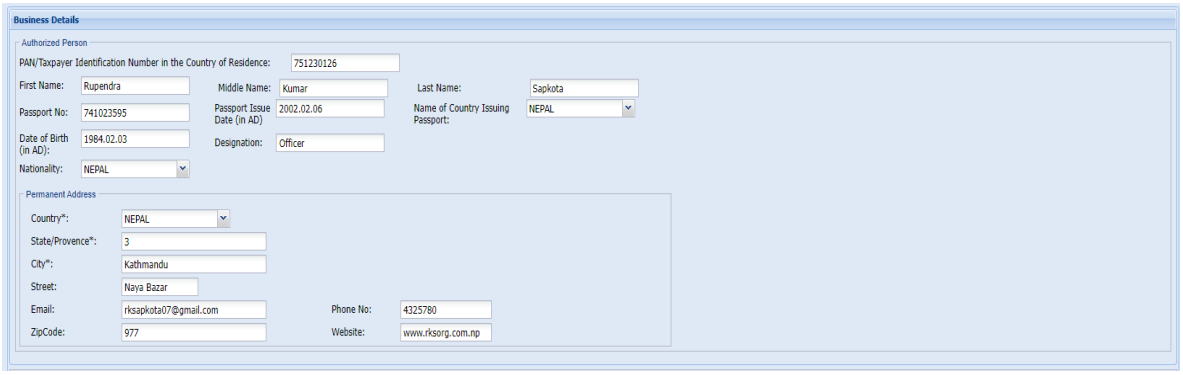


Authorized Person

- Enter PAN/Taxpayer Identification Number of country of Residence.
- Enter First Name, Middle Name and Last Name.
- Enter Passport No. and Passport Issue Date (in AD).
- Select Name of Country Issuing Passport.
- Enter Date of Birth (in AD) and Designation.
- Select Nationality.

Permanent Address

- Select Country from the drop-down list.
- Enter State/Province, City, Street, Email, Phone No, Zip Code and Website.

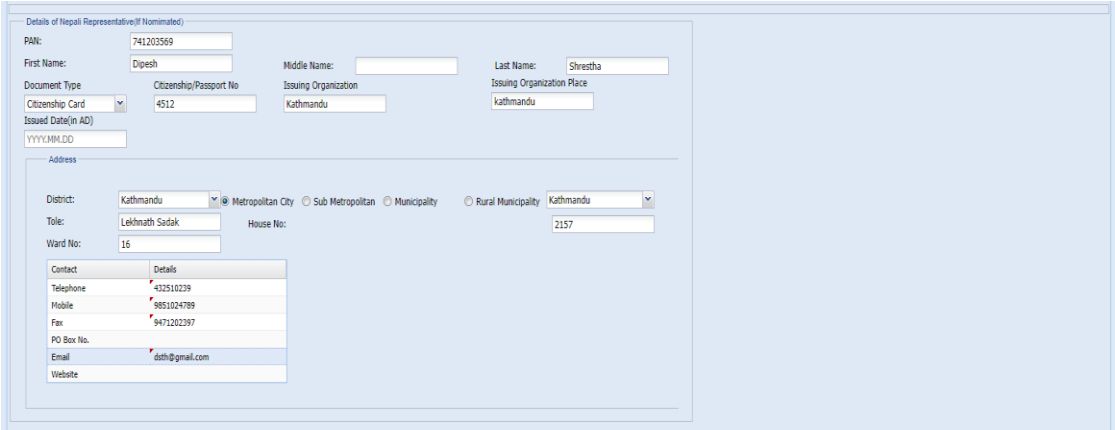


Details of Nepali Representative (If Nominated)

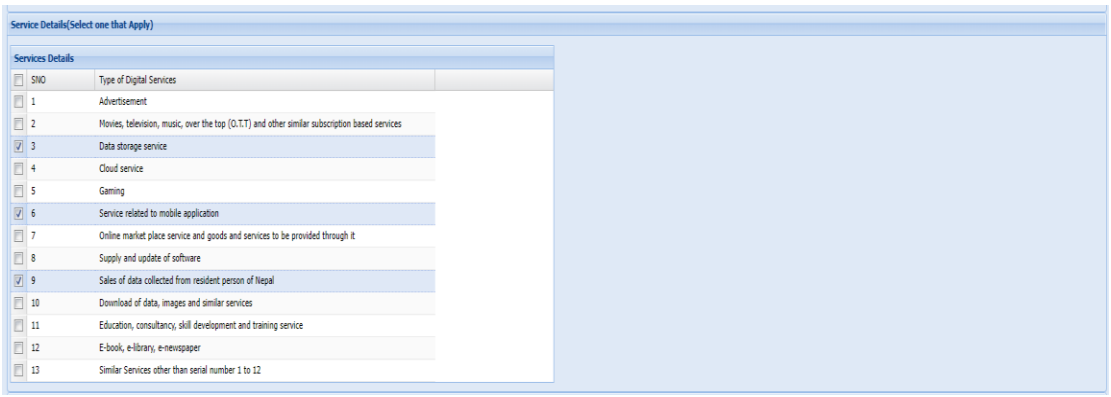
- Enter PAN.
- Enter First Name, Middle Name and Last Name.
- Select Document Type from the drop-down list.
- Enter Citizenship/Passport No, Issuing Organization, Issuing Organization Place and Issued Date (in AD).

Address Details of Representative

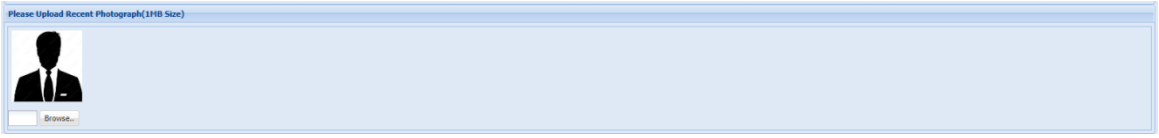
- Select District from drop-down list.
- Enable radio button for Metropolitan City, Sub Metropolitan, Municipality, Rural and Municipality.
- Enter Tole, House No and Ward No.
- Enter Contact Details.



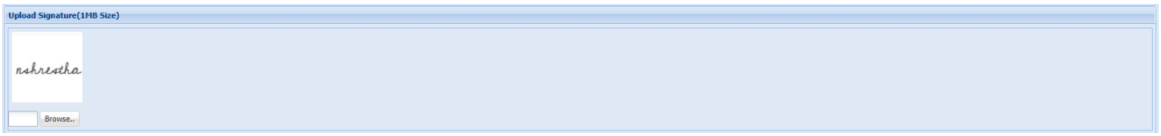
- Enable the checkbox that appropriate for the service.



- Click **Browse** button.Upload the recent photograph.



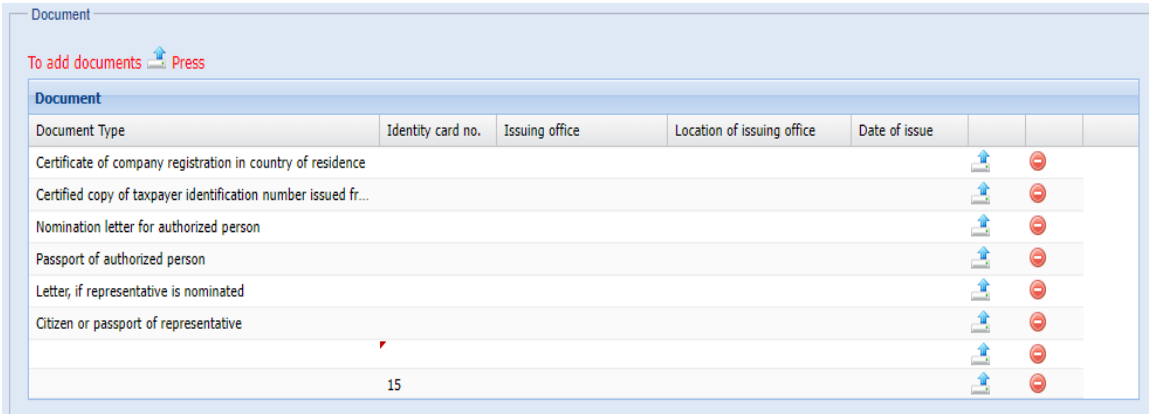
- Click **Browse** button.Browse/ upload the signature.



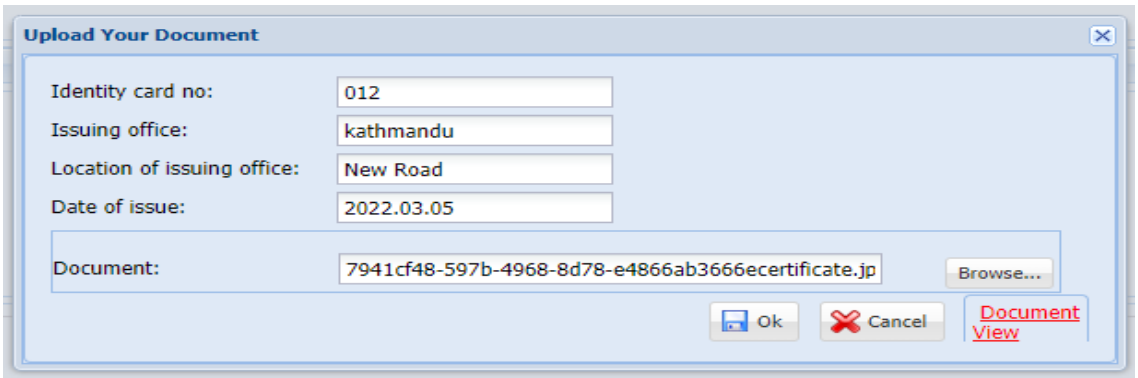
Document

- Click on icon to upload the supportive documents for DST Registration.

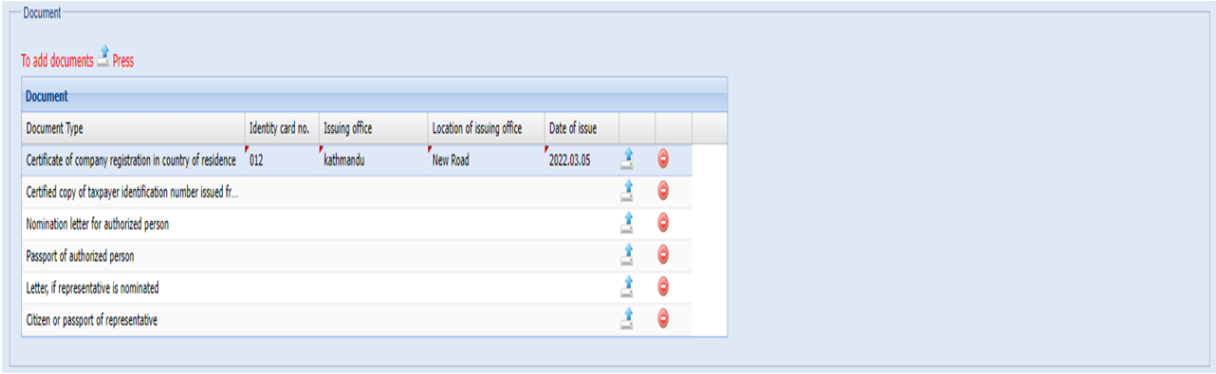
Upload Your Document



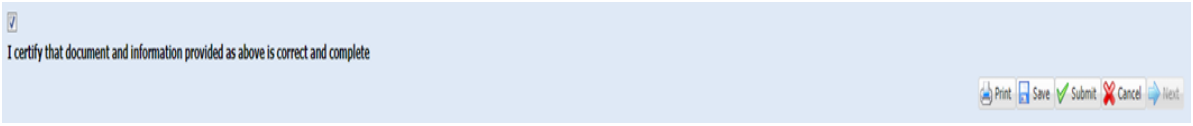
- Enter Identity Card No, Issuing Office, Location of Issuing Office and Date of Issue.
- Click the Browse button to browse/upload the document.
- Click **Document View** to view the document.
- Click **OK** button.



- Uploaded document is shown the Document List below:

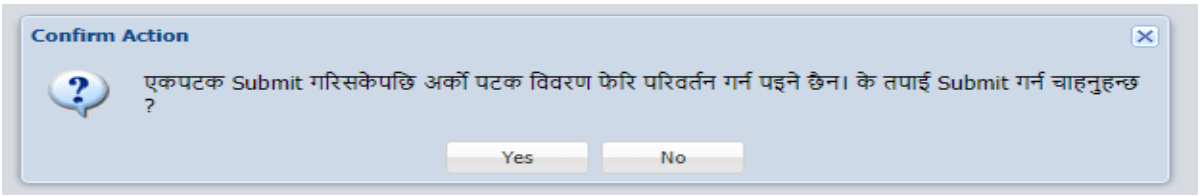


- Enable the Checkbox to agree that provided documents and informations are corrects.



- Click Save button to save the DST Registration info.
- Click Print button to print the registration.
- Click Cancel button to cancel/terminate the registration process.
- Click Submit button to submit the page.

- Message pop-up stating:



- Click **Yes** button to finalize the submit process.
- Go to Registration Log In from Registration (PAN, VAT, EXCISE, DST).
- Enter Submission no, User Name and Password. Click Login button.
- User able to view the DST Registration.

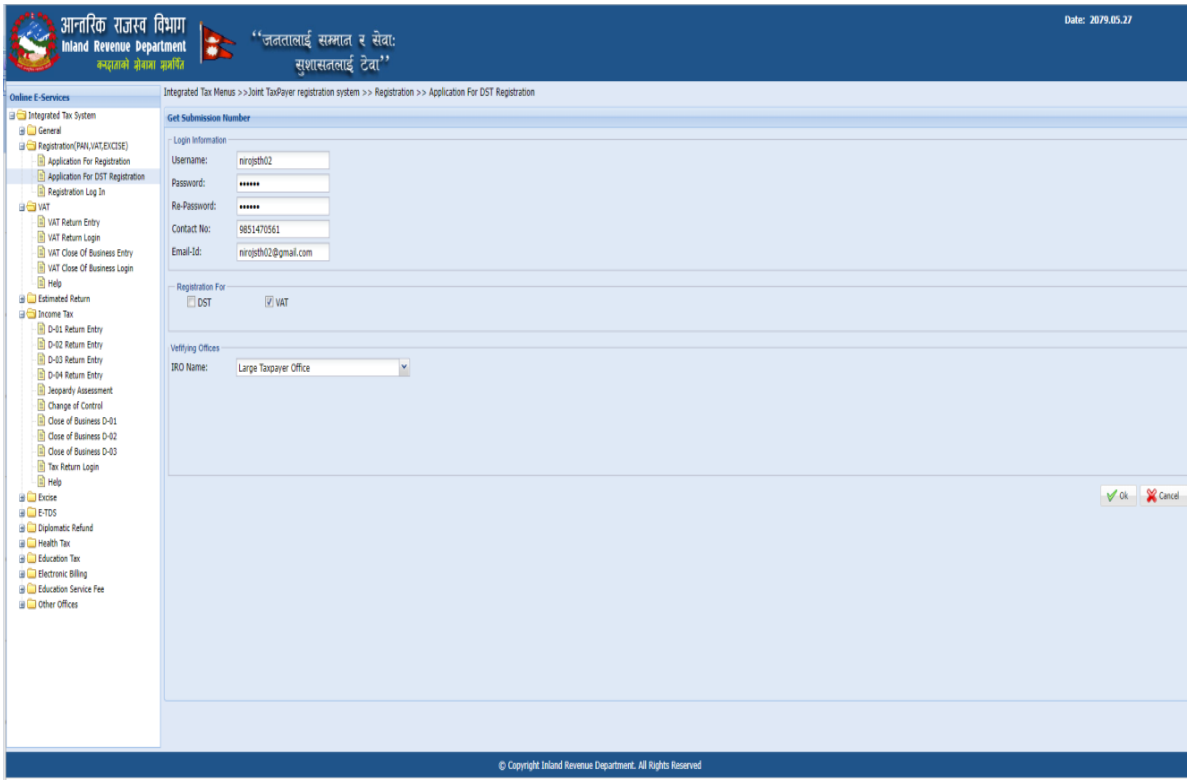
Note: Once the user submits the page then could not be able to change it later. Here after submitting, Submit button becomes disabled.

2.0 Application For VAT Registration from Existing DST.

This page is used to register VAT for digital services provided by Non-Resident Person in ITS within existing DST.

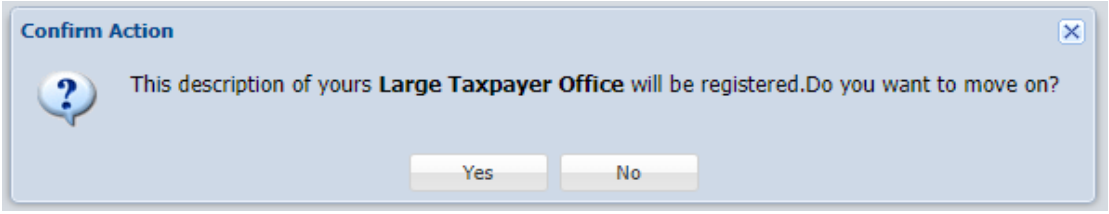
Procedure

- Click on **Taxpayer Portal** link to open Taxpayer Portal menu.
- Expand 'Registration for (**PAN,VAT,EXCISE, DST**) by clicking on the '+' sign beside 'Application for DST Registration.
- Following screen will be displayed:

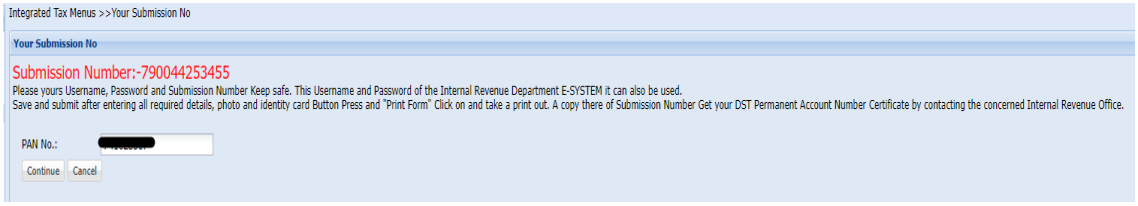


- It is necessary to obtain a submission number for each application. This submission number serves as an identification number for the application. Fill in the following information in screen displayed above.
- Username – Username is case sensitive. This username will be used to open the application document again if the application was partially filled previously. Hence applicant must note the username.
- 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.
- Re-Password – Re-enter password again just to confirm the previously typed password.
- Contact No – Type in Contact number.
- Email-id – Type in Email Id.
- Enable check-box Registration for : **VAT**.

- For verifying office
  - Select the IRO Name from drop-down list.
  - Click Ok button after fill-up all the required fields.
  - Message pop-up stating:



  - Click '**Yes**' button following screen will be displayed.
  - Enter the PAN No.



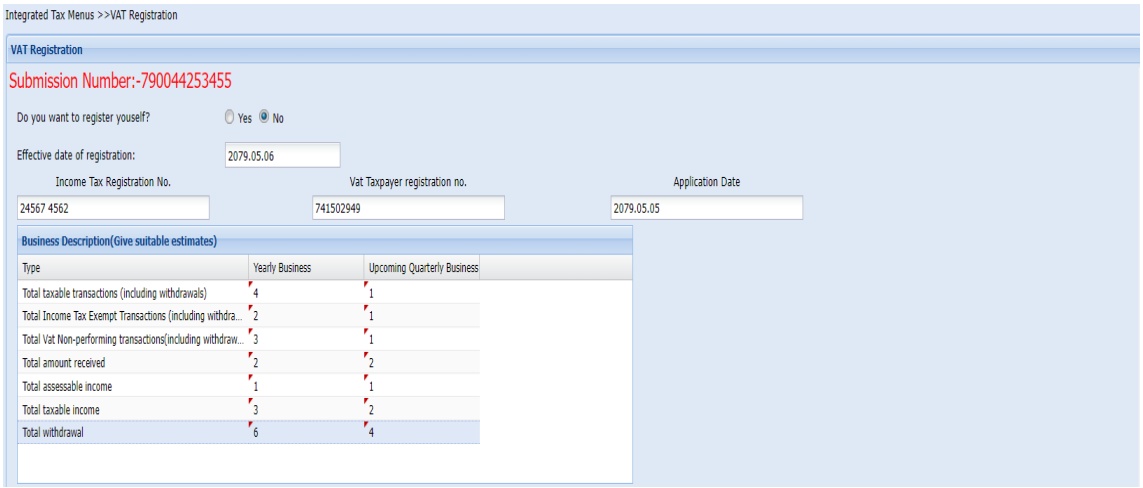
[Note: User get the PAN No. after verified the DST Registration in Official Portal of Taxpayer]

  - Click Continue button to continue the process.

- It goes to VAT Registration page. Fill up the required fields as described below:
  - Enable the radio button for Do you want to register yourself? : Yes, No.
  - Enter the Effective date of registration, Income Tax Registration No, Vat Taxpayer Registration No and Application Date.

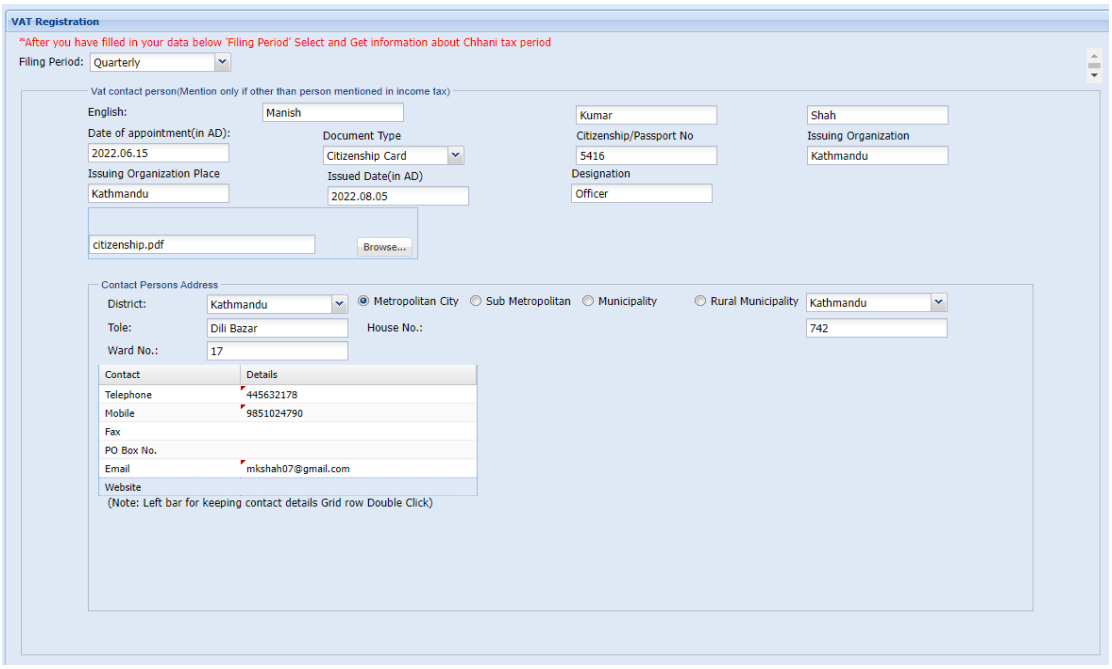
Business Description

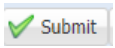
- Enter Yearly Business and Upcoming Quarterly Business for different Tax transactions as shown below:



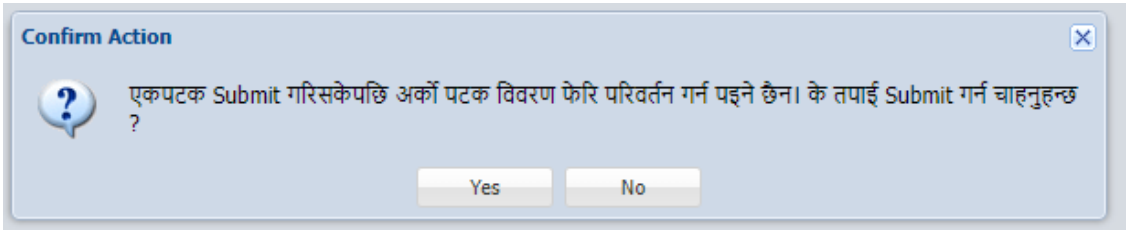
Contact Persons Details

- All the Contact Person Details auto generated from Person's registered DST.
- Click **Save** button to save the DST Registration info.



- Click the 

button to submit the page.
- Click **Yes** button.
- Message alert if the user does not fill up the necessary fields as below:

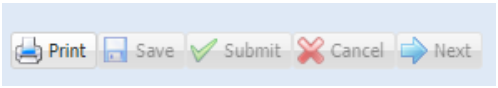


- Click

button to print the registration.
- Click

button to cancel/terminate the registration process.

Note: Once the user submits the page then could not be able to change it later. Here after submitting, ***Submit button becomes disabled.***

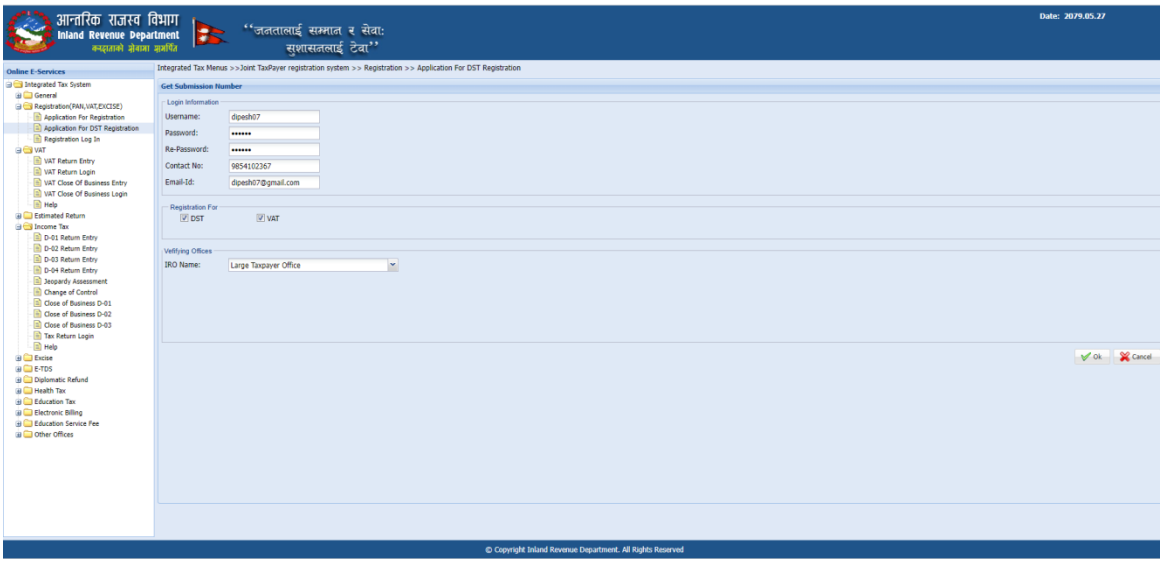


3.0 Application for DST Registration along with VAT

This page is used for DST Registration along with VAT for digital services of the Integrated Tax System.

Procedure

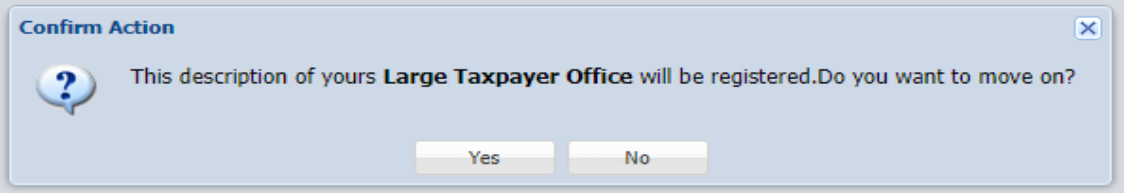
- Click on Taxpayer Portal link to open taxpayer portal menu.
- Expand 'Registration for (**PAN, VAT,EXCISE,DST)** by clicking on the '+' sign beside 'Application for DST Registration'.
- Click on Application for Registration. Following screen will be displayed:



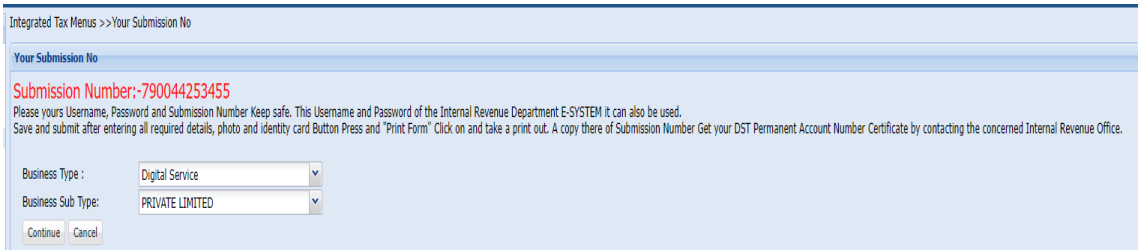
- It is necessary to obtain a submission number for each application. This submission number serves as an identification number for application. Fill in the following information on the screen displayed above.

  - Username – Username is case sensitive. This username will be used to open the application document again if the application was partially filled previously. Hence applicant must note the username.
  - Password – Password is case sensitive and must be six characters or more. Password will be required to open previously saved documents later. Hence applicant must note the password.
  - Re-Password – Re-enter the password again just to confirm the previously typed password.
  - Contact No – Type in a Contact number.
  - Email-id – Type in Email Id
  - Enable check-box Registration for : DST and VAT.
  - For verifying the office
  - Select the IRO Name from the drop-down list.

- Click the Ok button at the bottom right corner.
- Message pop-up stating :



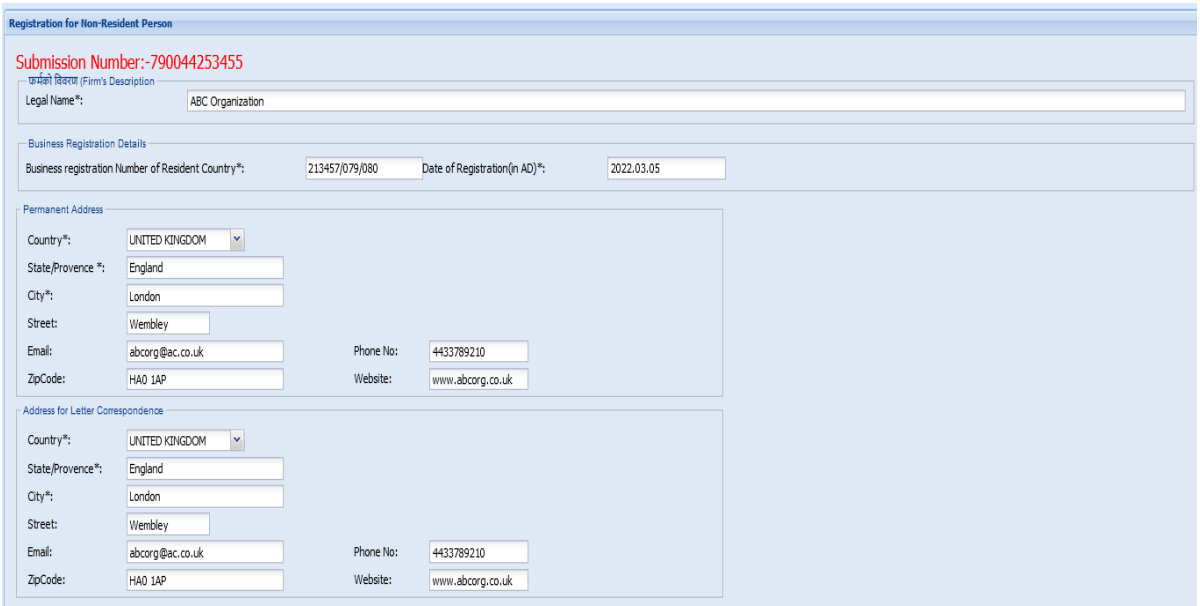
- Click **Yes** button following screen will be displayed.
- Submission Number is auto-generated. Select Business Type and Business Sub Type from drop-down list.
- Click **Continue** button.



- Enter Name.
- Enter the Business registration number of the resident country and Date of Registration.

<u>Permanent Address & Address for Letter Correspondence</u>

- Select Country drop-down list.
- Enter State/Province, City, Street, Email, Phone No, Zip Code and Website.



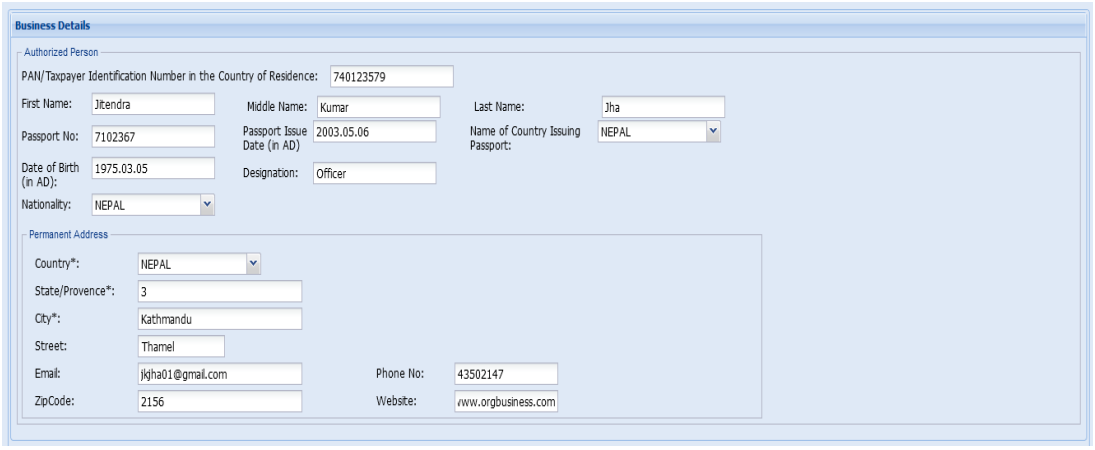
[Business Details]

Authorized Person

- Enter PAN/Taxpayer Identification Number of country of Residence.
- Enter First Name, Middle Name and Last Name.
- Enter Passport No. and Passport Issue Date (in AD).
- Select Name of Country Issuing Passport.
- Enter Date of Birth (in AD) and Designation.
- Select Nationality.

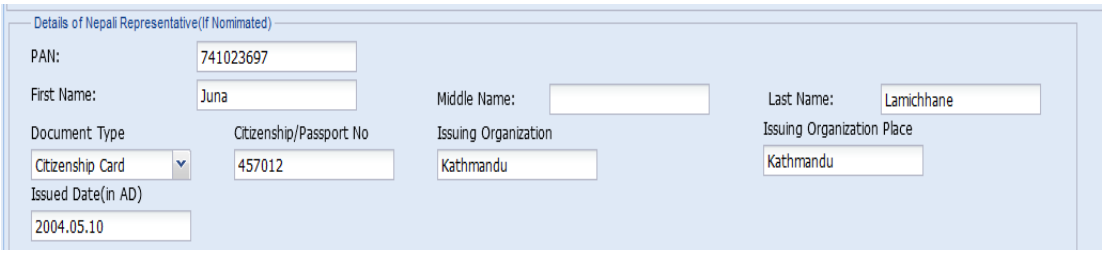
Permanent Address

- Select Country from the drop-down list.
- Enter State/Province, City, Street, Email, Phone No, Zip Code and Website.



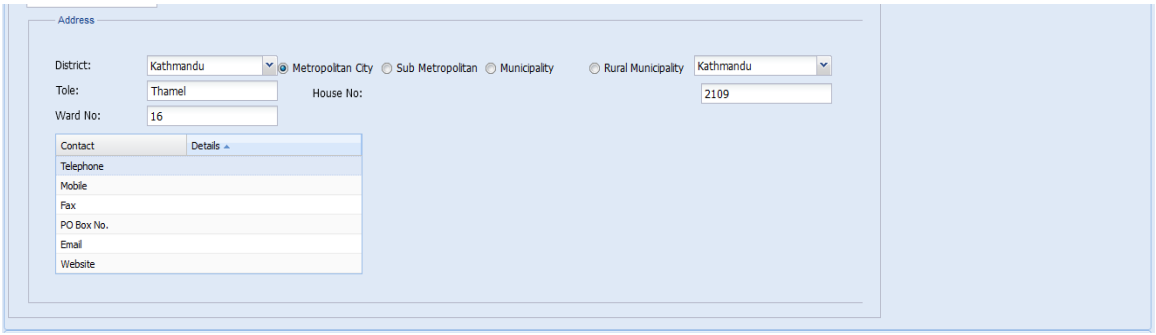
Details of Nepali Representative (If Nominated)

- Enter PAN.
- Enter First Name, Middle Name and Last Name.
- Select Document Type from drop-down list.
- Enter Citizenship/Passport No, Issuing Organization, Issuing Organization Place and Issued Date (in AD).

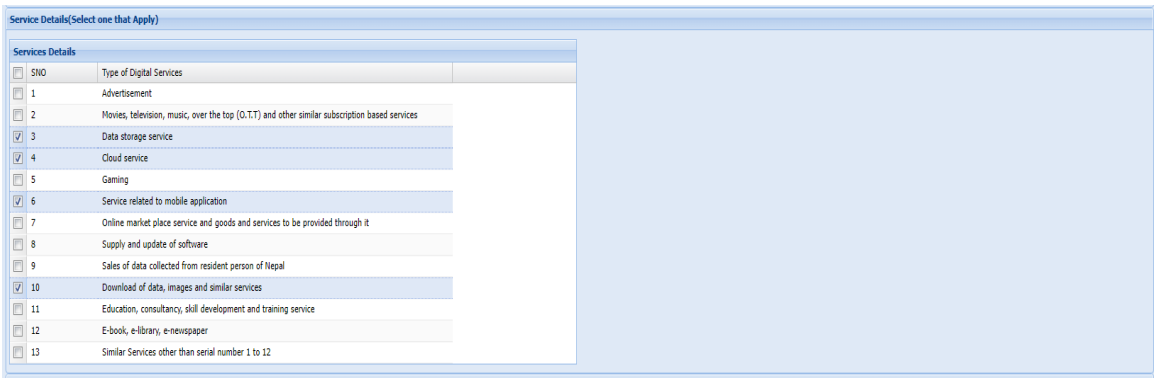


Address Details of Representative

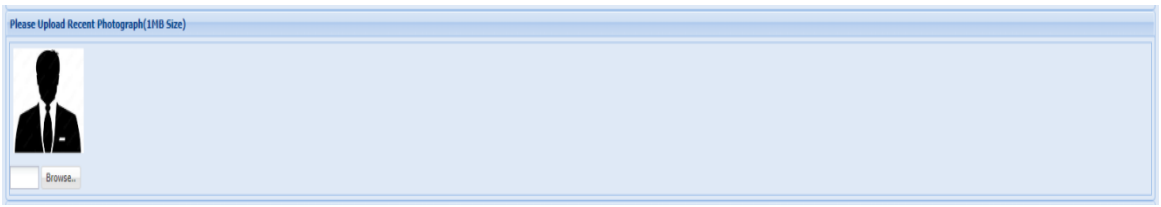
- Select District from the drop-down list.
- Enable radio button for Metropolitan City, Sub Metropolitan, Municipality, Rural, and Municipality.
- Enter Tole, House No, and Ward No.
- Enter Contact Details.



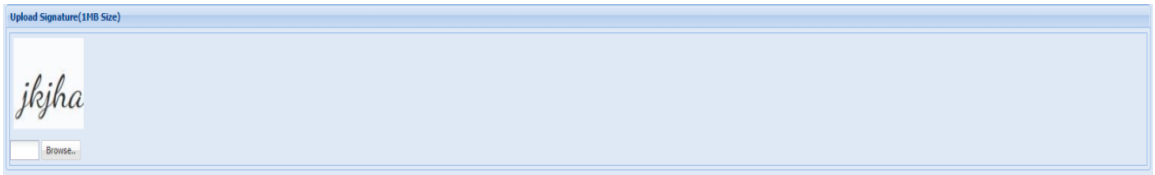
- Enable the checkbox that is appropriates for the service.



- Click the **Browse** button to browse/ upload the photo.

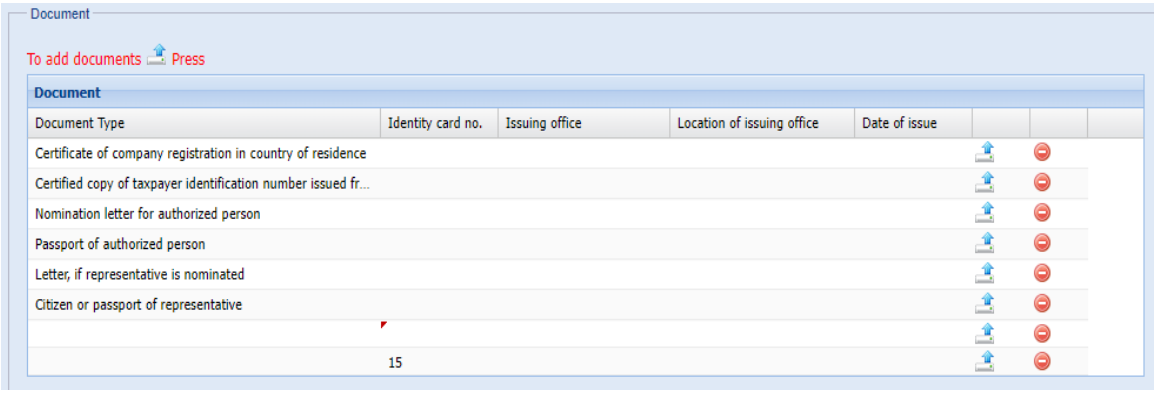


- Click the **Browse** button to browse/ upload the signature.



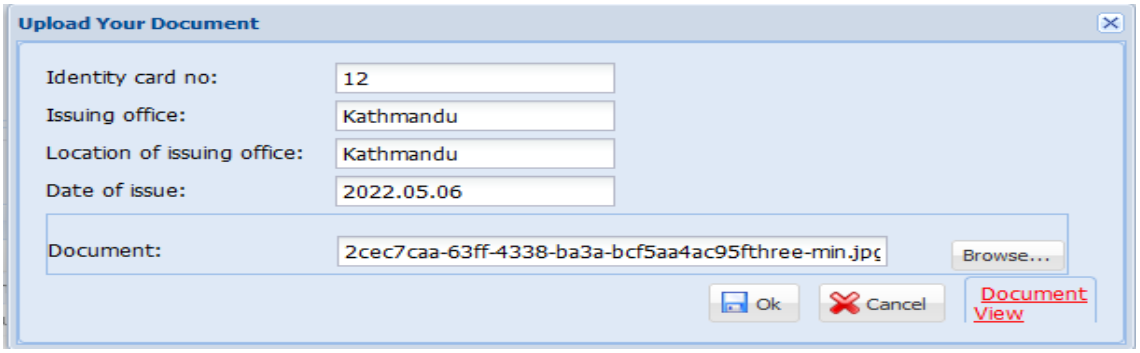
Document

- Click on the icon to upload the supportive documents for DST Registration.

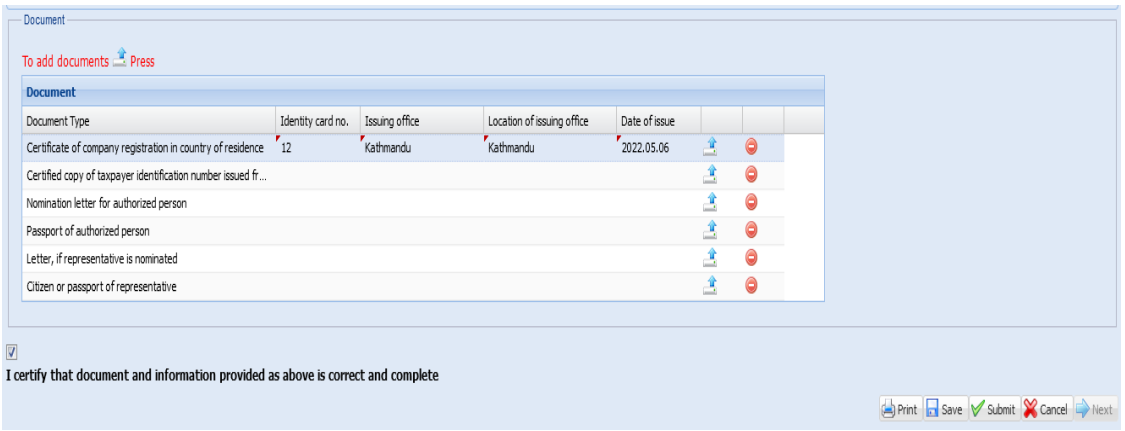


Upload Your Document

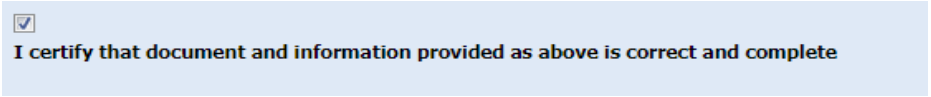
- Enter Identity Card No, Issuing Office, Location of Issuing Office and Date of Issue.
- Click the Browse button to browse/upload the document.
- Click Document View to view the document.
- Click **OK** button.



- Uploaded documents are shown in the document list below:



- Enable the Checkbox for



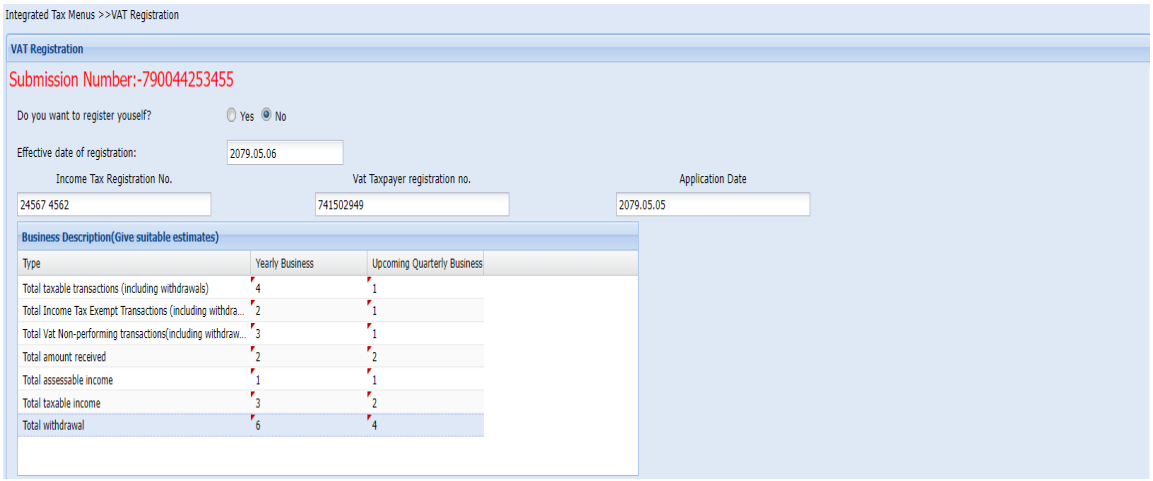
- Click **Save** button to save the DST Registration info.
- Message alert if the user does not fill-up the necessary field.

- Click

button.
- It goes to the VAT Registration page. Fill up the required fields as described below:
  - Enable the radio button for Do you want to register yourself? : Yes, No.
  - Enter the Effective date of registration, Income Tax Registration No, Vat Taxpayer Registration No and Application Date.

Business Description

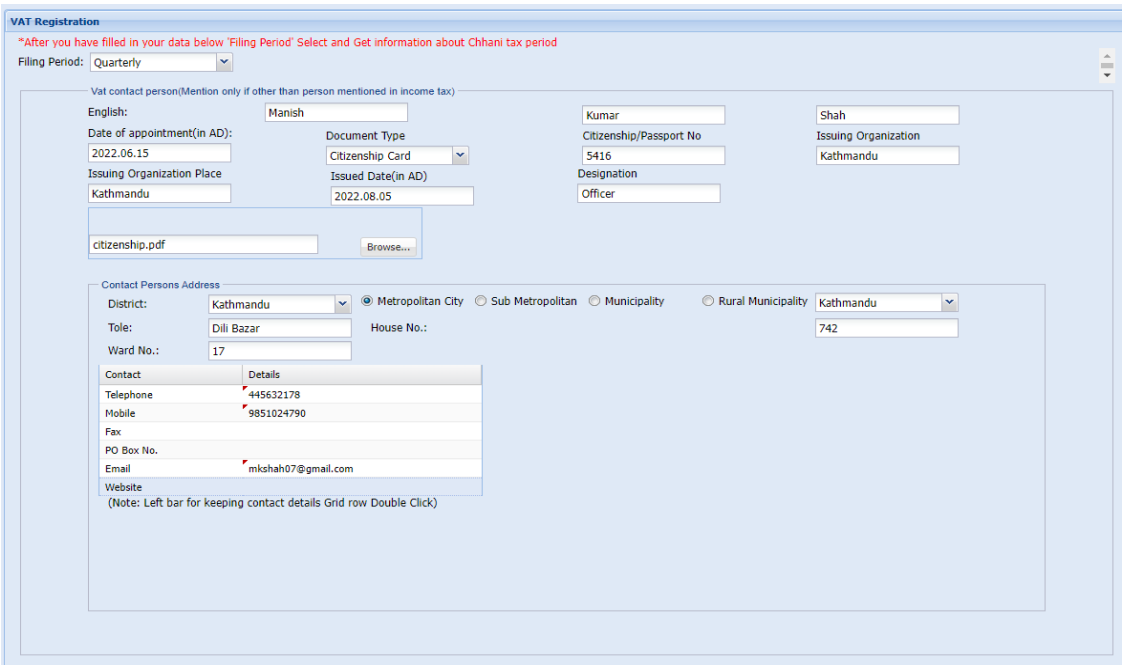
- Enter Yearly Business and Upcoming Quarterly Business for different Tax transactions as shown below:



Contact Persons Details

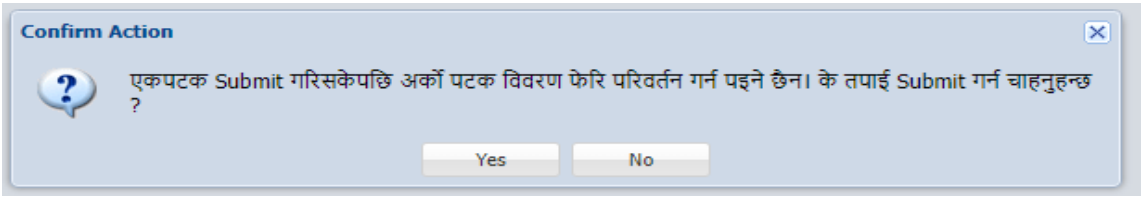
All Contact Persons Details are auto generated in the respected fields.

- Click **Save** button to save the DST Registration info.



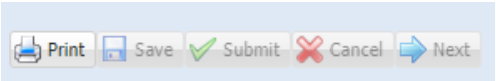
- Message alert if the user does not fill up the necessary fields as below:

- Click button to submit the page.
- Click Yes button.



- Click button to print the registration.
- Click button to cancel/terminate the registration process.

Note: Once the user submits the page then could not be able to change it later. Here after submitting, Submit button becomes disabled.

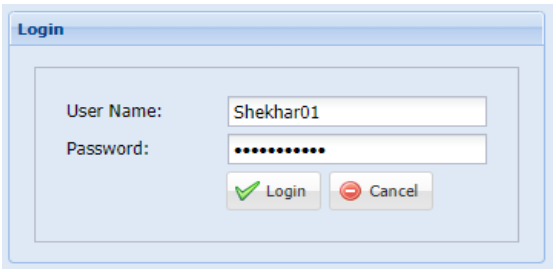


4.0 Verify DST Registration

This page is used to verify the DST Registration of Taxpayer Portal.

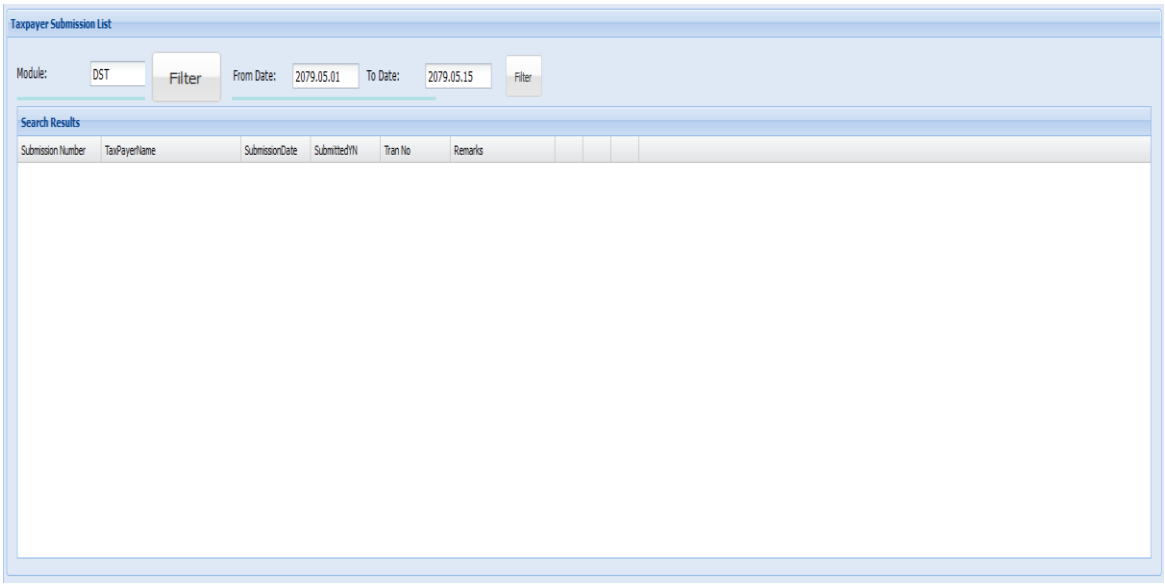
Procedure

- Go to the Official Portal of Integrated Tax System.
- Enter the credentials i.e. User Name and Password. Click Login button.

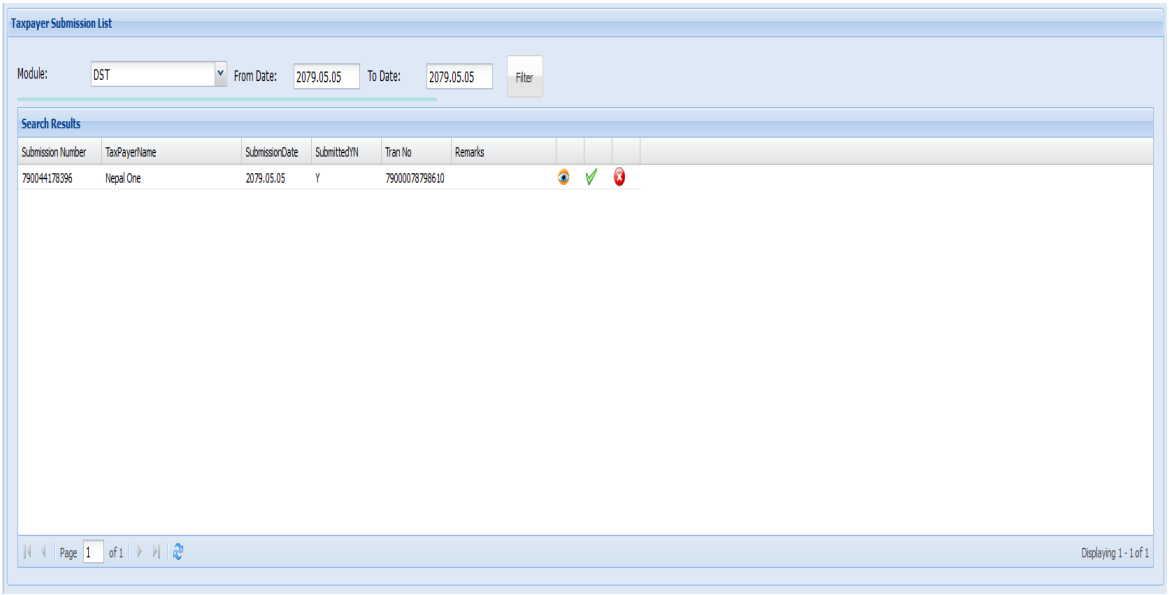


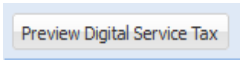
- Go to Official Entry from Verification.

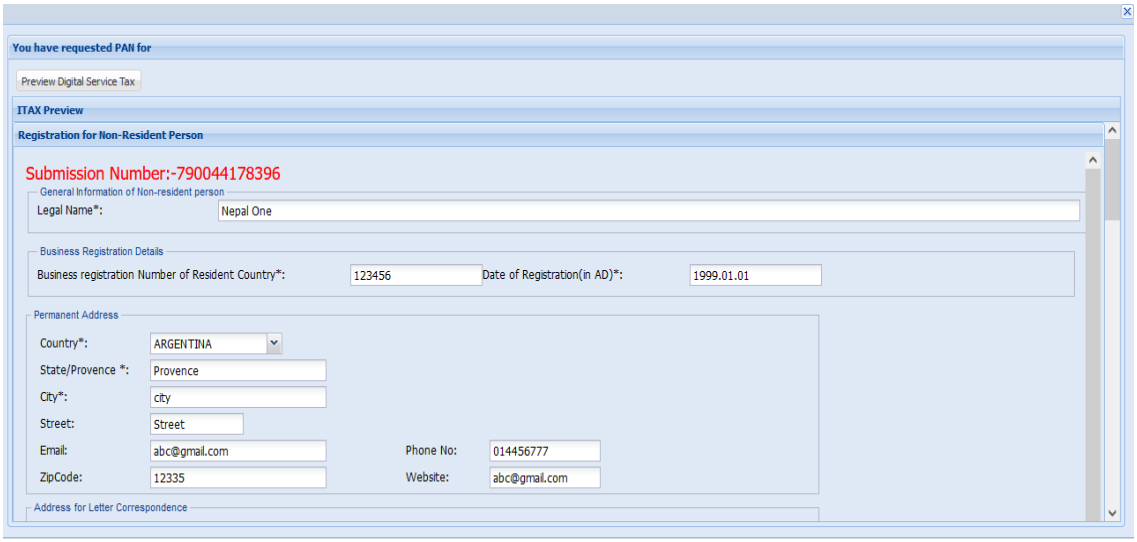
- Official Entry page is open.
- Select Module from the drop-down list.
- Enter From Date and To Date in YYYY.MM.DD pattern.



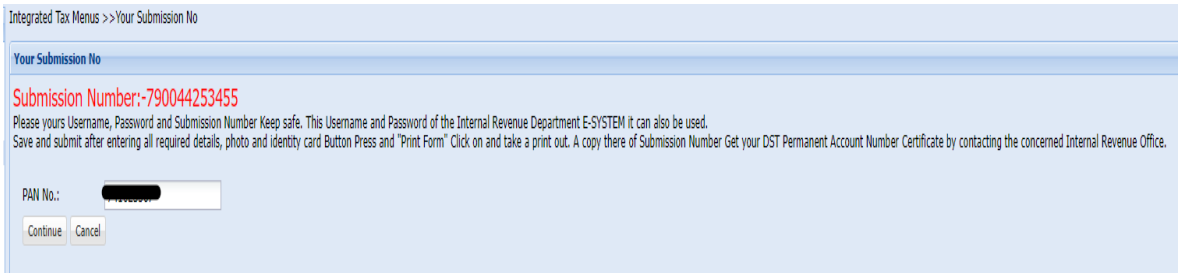
- Click button to filter the submission list.
- Click the view button to open the Digital Service Tax.



- Click  to preview Digital Service Tax.



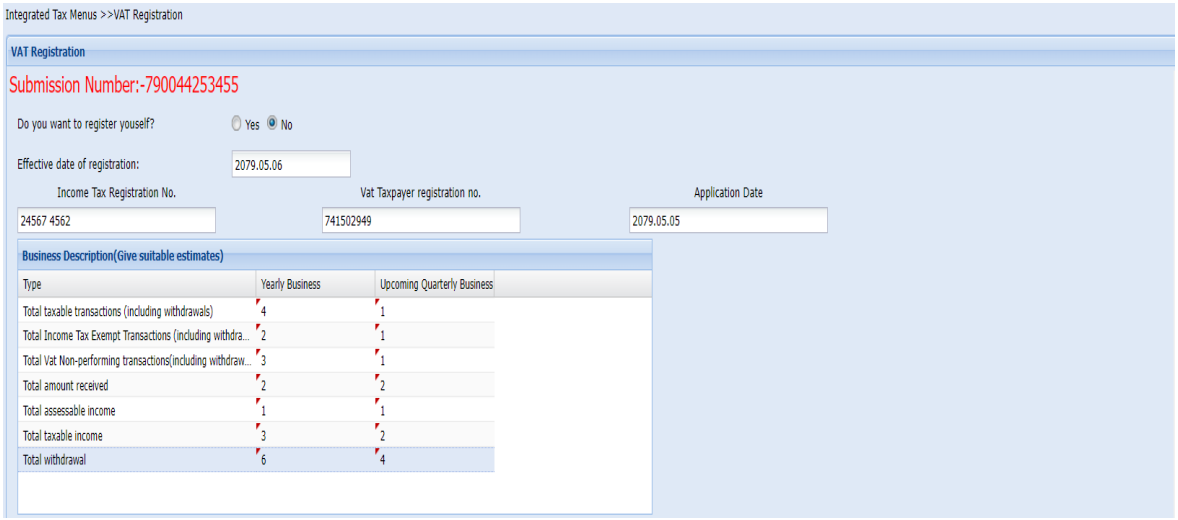
- Click the ✔ icon to verify the Digital Service Tax Registration.
- Message pop-up stating " PAN No. xxxxxxxxx is allotted".
- Enter the PAN No.
- Click **Continue** button to continue the process.



- It goes to VAT Registration page. Fill up the required fields as described below:
  - Enable the radio button for Do you want to register yourself? : Yes, No.
  - Enter the Effective date of registration, Income Tax Registration No, Vat Taxpayer Registration No and Application Date.

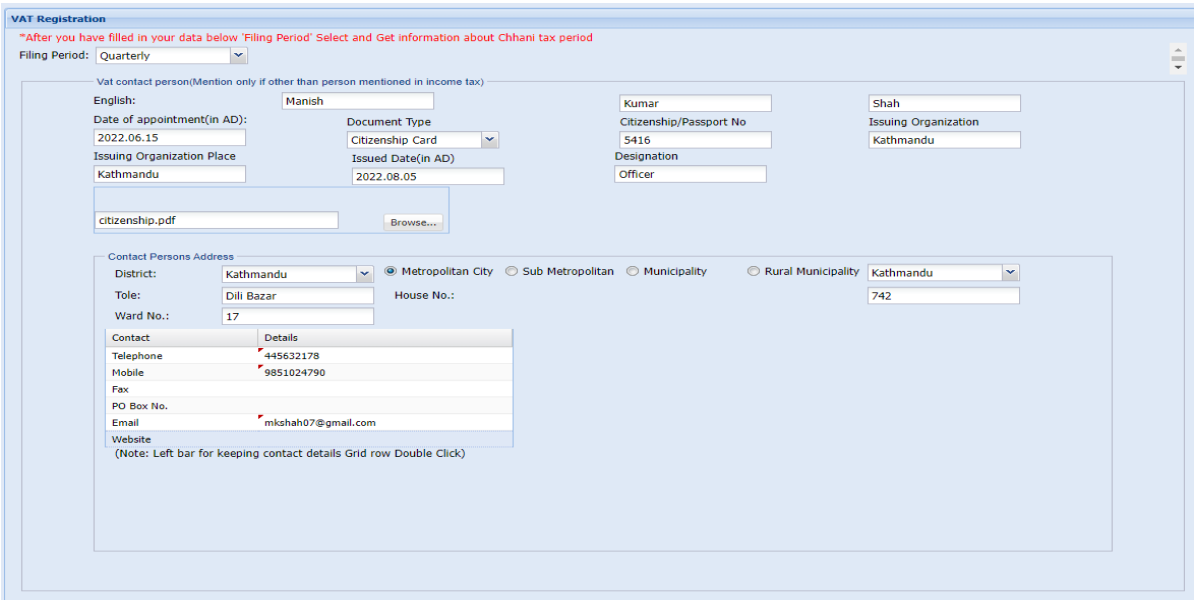
Business Description

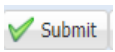
- Enter Yearly Business and Upcoming Quarterly Business for different Tax transactions as shown below:

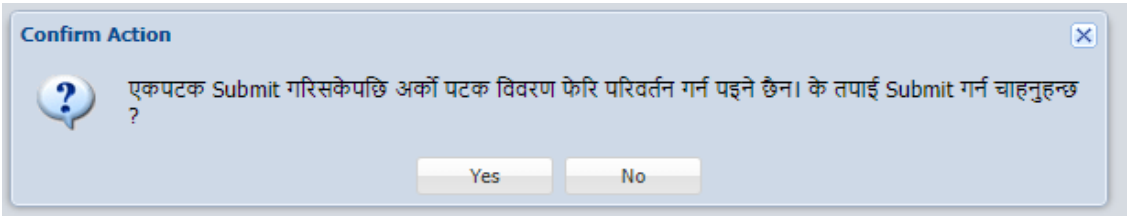


Contact Persons Details

- All the Contact Person Details auto generated from Person's registered DST.
- Click **Save** button to save the DST Registration info.



- Click the  button to submit the page.
- Click **Yes** button.
- Message alert if the user does not fill up the necessary fields as below:



- Click button to print the registration.
- Click button to cancel/terminate the registration process.

Note: Once the user submits the page then could not be able to change it later. Here after submitting, ***Submit button becomes disabled.***