

# NOTICE TO TAXPAYERS

## THE INCOME TAX PAYMENTS AT COMMERCIAL BANKS

### PAYMENT PROCEDURE

1. Taxpayers are hereby informed that with effect from 1 November 2010, tax payments must be made at commercial banks.

- 1.1 The payment modes under this system consist of: In-Branch Transfers, On-line banking transfers and Direct Cash Deposits. An ATM based facility will, however, be provided by the banking institutions at a later stage.

- 1.2 The purpose of this new arrangement is to facilitate an efficient and effective method of collecting tax and also make payment of tax more convenient for the taxpayers. This is one of the approaches that are being implemented by the Department of Taxes to create and sustain a climate for promoting voluntary tax compliance.

2. **INCOME TAX COLLECTION ACCOUNTS WITH COMMERCIAL BANKS**

- 2.1 The Department of Taxes has opened a Collection Account styled "Income Tax Collection Account" with each commercial bank in the country including the Swaziland Building Society in order to facilitate real time tax payments. The accounts are as follows:

<b><u>BANK NAME</u></b>	<b><u>COLLECTION ACCOUNT NUMBER</u></b>
<u>Standard Bank of Swaziland Limited</u>	<u>0140042751301</u>
<u>Swaziland Development &amp; Savings Bank</u>	<u>1241024551201</u>
<u>First National Bank of Swaziland Limited</u>	<u>62265857965</u>
<u>Ned Bank Swaziland Limited</u>	<u>020000473716</u>
<u>Swaziland Building Society</u>	<u>010974386</u>

- 2.2 The financial institutions are required to maintain these accounts and ensure that all funds on hand are regularly transmitted to the Income Tax Collection Account Number **100016206541** held at the Central Bank of Swaziland.

3. **THE RECONCILIATION PROCESS:**

- 3.1 The Tax Department will reconcile payments as soon as the relevant documents are received from taxpayers. To facilitate this process, banks are required to ensure that payments made via any of the approved payment channels are made in real time so that they appear on the Department's bank statement immediately on completion of transaction posting into the banking system.

- 3.2 Bank statements from banks offering internet/online banking service will be viewed by the Tax Office online in order to confirm payments.

- 3.3 Banks with no online banking facilities will provide the Department with printed or emailed bank statements showing the collection account on a daily basis.

3.4 For purposes of reconciling all payments efficiently, taxpayers will be required to complete the Tax Remittance Forms for each payment made. Taxpayers, who are paying for more than one type of tax, such as company tax and individual tax etc, are required to complete a separate form for each tax type. The Remittance Form(s) together with proof of payment must be submitted to the Tax Department via any of the following modes:

(a) Commissioner of Taxes, P.O. Box 186. Mbabane H100 or at any of the Income Tax branches –

Mbabane Branch, P.O. Box 1042, Mbabane H100  
Manzini Branch, P.O. Box 2689, Manzini M200  
Matsapha Branch, P.O. Box 547, Matsapha M202  
Nhlangano Branch, P.O. Box 1563, Nhlangano S400

(b) Fax: (268) 404 2753

(c) Email: incometax@realnet.co.sz

3.5 The Reconciliation at the Tax Office will print, tick, and file each statement of the Collection Account after ensuring that payments are linked to all remittance forms submitted.

3.6 The Reconciliation Division will then issue receipts to taxpayers once payments have been reconciled and captured onto the Department Revenue Collection IT System.

#### 4. **PROCEDURE FOR EACH PAYMENT METHOD:**

4.1 Commercial banks do not have pre-loaded tax reference numbers for taxpayers. All the information required for the bank transfers/ payments has to be submitted for data capture each time a payment/transfer is being made.

#### 4.2 **Modes of Payment**

(a) Taxpayers will be free to choose any method of payment amongst the approved three services offered by commercial banks namely; In-branch transfers, on-line banking transfers and Cash Deposits.

(b) Irrespective of the mode of payment, except for on-line banking, taxpayers will be required to complete Tax Remittance Forms which they will present to commercial banks in order to effect the payments/transfers. For on-line banking taxpayers will be required to fill in the Tax Remittance form and present it to the Tax Office together with the proof of payment without going via the commercial bank.

(c) The Forms will be completed in duplicate. This will enable them (taxpayers) to have copies for their own files. The Department of Taxes will provide Self-carbonated forms for this purpose.

(d) Once the transfer/payment has been made, the bank will date stamp the form and hand it over to the taxpayer. The bank will also issue taxpayer with proof of payment slip/document.

- (e) Taxpayers will forward the original copies of the bank stamped Tax Remittance Forms showing details of each tax payment made to the Department of Taxes for manual reconciliation and data capture. The forms, if bank stamped, will serve as proof of payment.
- (f) The Tax Department will accept original copies of the bank stamped Tax Remittance Forms as well as those submitted via fax and/or email.

## 5. **Multiple Payments**

- 5.1 If a taxpayer makes one payment/transfer in respect of multiple remittance forms/tax types, the compulsory information will include an indicator reflecting the number of parts/remittance forms corresponding to that single payment/transfer. For instance, if a payment consists of **three** payment forms the numerical indicator will be 3.

## 6. **Payment Procedure for each Channel Intra-Branch Transfers**

- (a) Taxpayers are required to complete the prescribed Tax Remittance Forms in duplicate.
- (b) Submit the Tax Remittance Form and Funds transfer form to any branch of their commercial bank or building society to effect the transfer of funds from their accounts into the Income Tax Collection Account.
- (c) Taxpayers will submit original copy of the Tax Remittance Form together with a copy of the Transfer Instruction Slip to the Tax Department as proof of payment and for purposes of manual reconciliation.
- (d) When making the transfers, banks will capture the tax reference number, tax year, indicator, amount and name of taxpayer.
- (e) These documents can be submitted physically, faxed or emailed to the office of the Commissioner of Taxes for purposes of reconciliation.

## 7 **On-line Banking Transfers**

- (a) Taxpayers will complete the prescribed Tax Remittance Forms in duplicate.
- (b) Effect transfer into the Commissioner's Income Tax Collection Account and print confirmation of payment slip.
- (c) Taxpayers will submit original copy of Remittance Form together with the confirmation slip to the Tax Department as proof of payment and for purposes of manual reconciliation.
- (d) When making the transfers, taxpayers using the On-line banking facility will enter the compulsory data namely; Tax Reference Number, Tax Year, Indicator, Amount and Name of Taxpayer.

- (e) These documents can be submitted physically, faxed and/or emailed to the office of The Commissioner of Taxes for reconciliation purposes.

**8. Cash Deposits into the Commissioner's Tax Account**

- (a) Once the prescribed Remittance Forms have been filled in, taxpayers will deposit the cash into The Tax Collection Account in any branch of their commercial bank or building society.
- (b) Taxpayers will submit original copies of the bank stamped Remittance Forms to Income Tax Department.
- (c) Taxpayers will retain the bank deposit slip and 2<sup>nd</sup> copy of the remittance forms for their own files.
- (d) Documents can be faxed or emailed.

**9. No Cheque Deposits into the Tax Account**

The Tax Collection accounts will not receive **any** cheque deposits.

- 10. This Notice supersedes the contents of all notices previously issued in respect of the same subject.

**MM LUKHELE  
ACTING COMMISSIONER OF TAXES**