

## 2. Financial relief at the end of the year

Taxpayer will not have a huge amount to pay at the end of the year. Upon lodging their Presumptive Tax Return, they will only have to pay the difference due, or if there is a credit, the credited amount may be carried forward for the following year. This scenario will only occur if there was an error in calculation and monthly declaration throughout the year.

### Who are exempted from the scheme?

1. Businesses listed below who are categorized as the specified businesses, who use the Deduction at Source (DAS) book.
  - *Building Contractor*
  - *Maintenance Contractor*
  - *Hirer of Public omnibus*
  - *Hirer or operator of plant, equipment including sea vessels, motor vehicle used for transportation of goods and for towing*
  - *Mechanic (motor vehicle, marine or refrigeration)*
2. Businesses who are currently paying the monthly Pay As You Go (PAYG) under normal Business Tax regime.

## Seychelles Revenue Commission

### “Pay As You Earn”

This brochure is not intended as an exhaustive explanation of the law. If you require detailed information about the “Pay as you Earn” (PAYE) you should visit the SRC or write to us.

### For more information

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**“PAY AS YOU EARN”**  
(Presumptive Tax Regime)

**Pay As You Earn**  
(“PAYE”)



An explanation of the “Pay as you Earn”  
scheme applicable for Presumptive Tax  
Regime

## Introduction

The Presumptive Tax is a yearly Tax that is payable by businesses with an annual turnover of less than 1 million rupees. It is payable at a rate of 1.5% of the annual turnover. A new scheme "Pay as you Earn" (PAYE) has been introduced as from the 1st January 2022. This scheme will allow Taxpayers under this regime to pay their Presumptive Tax in advance.

## How will the scheme work?


- All businesses that falls under the Presumptive Tax Regime (less than 1 million annual turnover) can come forward voluntarily and pay 1.5% of the amount received in the particular month. This amount will be credited to their account with SRC.
- This credit will be offset at the end of the year when the taxpayer lodge their Presumptive Tax Return.
- At the end of the year the taxpayer will pay only the difference (if any) or if there are any credit, it may be carried forward for the following year.
- Failure to do so in a particular month, will **NOT** attract any penalties.

## How to effect payment?

- Depending on the income received in the particular month, Taxpayer need to calculate 1.5% of the amount and remit to SRC. For example in the month of June 2022, Nelson received SR 12,000, ( $12000 \times 1.5\%$ ) therefore he will remit SR180 at

SRC any day (no payment deadline) during working hours.

- To effect payment, as for any tax payment, a BAS form should be submitted along with the payment. However this time the taxpayer will have to complete and submit the "pay in advance" payment slip (as shown below) along with the payment.

	Seychelles Revenue Commission Business Activity Statement for Advanced Payment of Presumptive Tax		Client Trading Name: <input type="text"/>
	Month: <input type="text"/>	Applicable Year: <input type="text"/>	TIN: <input type="text"/>
PRESUMPTIVE TAX (ADVANCED)			
Amount to remit (SR):			<input type="text"/>
<small>Declaration: I declare that the information on this form is true and correct, and that I am authorised to make this declaration.</small> Name: _____ Signature: _____ Date: _____			

- The payment can be done:

⇒ Physically; at all SRC offices on Mahe, Praslin and La Digue during working hours.



Maison Collet  
Mahe



Horizon  
complex-  
Praslin

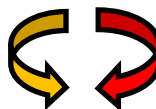


Diamond  
Complex-  
Praslin



DA's Office  
La Digue

⇒ via the taxation e-service portal:



⇒ Bank transfer (please insert as reference "advance payment for Presumptive (year)" and the Taxpayer Identification Number (TIN)).

## What are the benefits of the scheme?

### 1. Pay as you earn

Taxpayers can contribute towards their tax liability as and when they receive an income. At the end of the year the amount payable will equal to a NIL balance (no more/no less).

For example year 2022:

In April Ms. Sam received SR 8, 000. ( $8000 \times 1.5\%$ ) and she remitted SR 120 to SRC.

In August she received another lump sum of SR 45,000 ( $45,000 \times 1.5\%$ ) she will remit SR 675 at SRC.

In December she received a lump sum of SR 30,000 ( $30,000 \times 1.5\%$ ) she will again remit SR450 at SRC.

Her turnover for the year would be SR 83,000 ( $1.5\% \times 83,000$ ) her presumptive Tax due would be SR 1,245. The same will also reflect on the Presumptive Tax Return lodge at the end of the tax year.

Relating to the above scenario, Ms. Sam will not have any taxes due at the end of the year. She will only have to lodge her Presumptive Tax Return for the year 2022.

**SR 120 (April) +SR 675 (August) +SR 450 (December) = SR 1,245**