

VDB | *Loi*

MYANMAR TAX BOOKLET

2021 - 2022
2022 - 2023

Get to the point.

© VDB LOI CO., LTD

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means – electronic, mechanical, photocopying, recording or otherwise – without the prior written permission of the publisher or copyright holder. This publication, and any form of copy of this publication, may not be sold, re-sold, hired out or otherwise disposed of by way of trade, by any person or entity, without the prior written permission of the publisher or copyright holder.

Published by VDB Loi Co., Ltd November 2022

Version 1.0

Disclaimer: All information is considered correct as of the publication date; however it is not intended to be relied upon. For the most up-to-date information, please contact one of our advisers or visit our website at www.vdb-loi.com

Contents

Abbreviations	1
Change of financial year in Myanmar	2
Corporate Income Tax	3
<i>Rates of tax</i>	3
<i>Deductibility</i>	3
<i>Depreciation</i>	3
<i>Loss carry forward</i>	4
<i>2% Advanced Income Tax on importation and exportation</i>	4
Withholding Tax	5
<i>Overview</i>	5
<i>Exemption of WHT</i>	6
<i>Minimum threshold</i>	6
<i>Double Taxation Agreement</i>	6
<i>Overview</i>	7
<i>Income threshold for paying CGT</i>	7
<i>Rates of tax</i>	7
<i>Calculation of CGT</i>	7
Personal Income Tax	8
<i>Overview</i>	8
<i>Residency</i>	8
<i>Taxable salary</i>	8
<i>Tax reliefs and allowances for Myanmar residents</i>	8
<i>Rates of tax</i>	9
<i>Social Security Contributions</i>	9
<i>Rental income</i>	10
Undisclosed source of income	11
Double Taxation Agreement	12
Commercial Tax	13
<i>Overview</i>	13
<i>Taxable and Non-taxable goods & services</i>	13
<i>Revenue threshold for charging and paying CT</i>	13
<i>Registration</i>	14
<i>Rates of tax</i>	14
<i>Basis of taxation</i>	14
<i>Offsetting input and output CT</i>	14
Specific Goods Tax	16
<i>Overview</i>	16
<i>SGT exemptions</i>	16

<i>Revenue threshold for charging and paying SGT</i>	16
<i>Registration</i>	16
<i>Rates of tax</i>	16
<i>Basis of taxation</i>	16
<i>Offsetting input and output SGT</i>	17
Jewelry Tax	18
<i>Overview</i>	18
Tax Compliance Requirements	19
<i>Compliance timelines and penalties</i>	19
Other Taxes	21
<i>Stamp Duty</i>	21
<i>Property Tax</i>	21
<i>Customs Duty</i>	21
Investment Incentives	22
<i>Myanmar Investment Commission incentives</i>	22
<i>Special Economic Zone incentives</i>	23
<i>Investment and Free Trade Agreements</i>	24
Annex 1: Tax Depreciation Schedule	25
Annex 2: Commercial Tax-exempted Goods	32
Annex 3: Commercial Tax-exempted Services	37
Annex 4: Specific Goods Tax rates for local production and importation	40
Annex 5: Specific Goods Tax rates for export	44
Annex 6: Selected Stamp Duty Schedules	45
<i>Agreements and Counterparts</i>	45
<i>Bond</i>	47
<i>Conveyance, lease, mortgage and re-conveyance</i>	48
<i>Promissory Note</i>	53
<i>Transfer</i>	53
Classification of zones under Myanmar Investment Law	57

Abbreviations

Term	Definition
ACIA	ASEAN Comprehensive Investment Agreement
BIT	Bilateral Investment Treaties
CGT	Capital Gains Tax
CIF	Cost, insurance and freight
CIT	Corporate Income Tax
CT	Commercial Tax
DTA	Double Taxation Agreement
FTA	Free Trade Agreement
IRD	Internal Revenue Department
ITL	Income Tax Law
MIC	Myanmar Investment Commission
MOPFI	Ministry of Planning, Finance and Industry
PIT	Personal Income Tax
PT	Property Tax
SD	Stamp Duty
SEZ	Special Economic Zone
SGT	Specific Goods Tax
UTL	Union Tax Law
WHT	Withholding Tax

Change of financial year in Myanmar

On 1 October 2021, the Internal Revenue Department (“**IRD**”) of the Ministry of Planning and Finance (“**MOPF**”) announced a change to the income year (previously it was from 1 October to 30 September) of private and cooperative sectors to run from 1 April to 31 March. As a consequence, the six-month period from 1 October 2021 to 31 March 2022 (“**FY2021-2022**”) is specified as an interim budget period for all private and cooperative sectors, including government ministries, organizations, and state-owned enterprises.

The current financial year is running from 1 April 2022 to following 31 March 2023 (“**FY2022-2023**”) and we understand that the relevant annual tax return filing deadlines for taxpayers should be according to the table below.

Income Year	Deadlines for annual tax returns filing	Assessment Year
1 October 2020 to 30 September 2021 (FY2020-2021)	3 January 2022	1 October 2021 to 31 March 2022 (FY2021-2022)
1 October 2021 to 31 March 2022 (FY2021-2022)	30 June 2022	1 April 2022 to 31 March 2023 (FY2022-2023)
1 April 2022 to 31 March 2023 (FY2022-2023)	30 June 2023	1 April 2023 to 31 March 2024 (FY2023-2024)

Based on the Union Tax Law 2021 and 2022, the new corporate income tax rate, new commercial tax rates for certain business activities and the income range changes for personal income tax are effective from 1 October 2021 and it will be valid until 31 March 2023.

Corporate Income Tax

Rates of tax

The Corporate Income Tax (“**CIT**”) rate has been reduced from 25% to 22% effective from 1 October 2021 and it will be valid until 31 March 2023. Accordingly, the new CIT rate for FY2021-2022 and FY2022-2023 will be at 22%.

The new CIT rate is applicable for Myanmar companies, branches registered under the Myanmar Companies Law (“**MCL**”) 2017, and companies operating under an investment license from Myanmar Investment Commission (“**MIC**”) (i.e., foreign-owned resident companies with an investment license from the MIC granted under the Foreign Investment Law and Myanmar Investment Law 2016).

However, please note that the CIT rate of 20% for companies listed on the Yangon Stock Exchange remains unchanged for FY2021-2022 and the CIT rate has been reduced to 17% for FY2022-2023. Resident entities, which are defined as companies established under the MCL, are obliged to declare and pay CIT on their worldwide income. Non-residents, including branches or overseas corporations registered under the MCL, are only obliged to pay CIT on their Myanmar-sourced income.

Deductibility

Generally, expenditures incurred for the purpose of earning business income are deductible, subject to certain limitations. Capital expenditures, personal expenditures, expenditures not commensurate with the volume of business, inappropriate expenditures, expenditures incurred for purposes other than earning such income, and payments made to a member of an association of persons other than a company or a cooperative society, are not deductible.

Depreciation

A depreciation allowance is deductible for CIT purposes. Capital assets must be capitalized and depreciated on a straight-line basis in accordance with the rates set out in Notification 19/2016, the Second Regulations Amending the Income Tax Regulations. If a taxpayer wishes to use a different tax depreciation rate or a method, a request can be submitted to the IRD starting from FY2019-2020. If the IRD approves, different tax depreciation rate or method can be applied. A full-year depreciation allowance can be claimed for the year in which a capital asset is acquired, regardless of whether the asset is used for all or part of that year. Please refer to Annex 1 (Page 25) for detailed tax depreciation rates.

Loss carry forward

Under the Income Tax Law 1974 ("**ITL**"), a tax loss incurred by a company can be carried forward for up to three consecutive years and can be offset against taxable profits in the future, with the exception of capital losses.

2% Advanced Income Tax on importation and exportation

Companies importing or exporting goods must pay a 2% Advance Income Tax ("**AIT**") on the assessed value of the goods for import and export. There are a few exceptions, including the import of materials and equipment during the construction period of projects, and raw materials imported during the first three years of production under an investment license from MIC. The tax that is collected as an AIT can be offset against the annual CIT liability.

Withholding Tax

Overview

The MOPFI released Notification 47/2018 (“Notification 47/2018”) on 18 June 2018 which revokes the Withholding Tax (“WHT”) Notification 51/2017. The Notification 47/2018 is effective from 1 July 2018 (FY2018-2019). Please refer to below table in relation to payments subject to WHT under Notification 47/2018.

The following WHT rates will be applicable for both FY2021-2022 and FY2022-2023.

Type of Income	Residents	Non-Residents
	Notification 47/2018	Notification 47/2018
Interests	0%	15%
Royalties	10%	15%
Goods (Locally purchased goods) – payments made by government organizations, ministries and state-owned enterprises	2%	2.5%
Goods (Locally purchased goods) – payments made by others apart from government organizations, ministries and state-owned enterprises	0%	2.5%
Services (Locally rendered services) – payments made by government organizations, ministries and state-owned enterprises	2%	2.5%
Services (Locally rendered services) – payments made by others apart from government organizations, ministries and state-owned enterprises	0%	2.5%

The Notification 47/2018 imposes legal obligation on the payer to deduct WHT from payments that are subject to WHT, regardless of whether the income recipient has agreed to the deduction or not. Please note that the IRD may recover the WHT from the payer if the payer is failed to deduct applicable WHT. The payer can be a resident taxpayer or a non-resident taxpayer. The obligation for deducting WHT rests with the payer.

Exemption of WHT

Exemption from WHT deduction is given to payments between government organizations, and payments made to respective government organizations and stated-owned enterprises and interest payments to non-resident lenders who open branches locally or file corporate income tax return for income derived from the branch. Previously, Myanmar branches of foreign banks were considered non-residents and are thus captured in Myanmar's 15% WHT rate on interest paid to non-residents. From 1 April 2017, the WHT on interest payment to the Myanmar branches of foreign banks will no longer apply.

Minimum threshold

Under Notification 47/2018, there is a minimum threshold of MMK 1 million for total payments within a year period for payments made by government organizations, ministries and state-owned enterprises. However, there is no minimum threshold for payments made to non-residents.

Double Taxation Agreement

If the non-resident taxpayer is a resident taxpayer of a country with which Myanmar has a tax treaty, a relief may be available under the DTA. The IRD will require the non-resident to provide the Certificate of Residence issued by the tax authority of their country of residence. However, in order to enjoy the reliefs under the DTA, an application must be made to the IRD for approval.

Capital Gains Tax

Overview

Capital assets include land, buildings and their rooms, vehicles, and work-related capital assets. The expression also includes shares, bonds, securities and similar instruments. Capital gains tax (“CGT”) is applicable to both resident and non-resident taxpayers deriving a profit from the sale, exchange, or transfer of capital assets in Myanmar. CGT is payable by the person deriving the gains. A CGT return must be lodged by any person who sells, exchanges or transfers capital assets, even if there is no gain or loss.

Income threshold for paying CGT

If the total sale-value of the capital asset; which was sold, exchanged or transferred, does not exceed MMK 10 million, CGT will not be applicable.

Rates of tax

The CGT rate for all taxpayers (with the exception of those deriving a gain from an upstream oil and gas asset or a company holding an upstream oil and gas asset) is 10%, and is imposed in either MMK or a foreign currency.

CGT for upstream oil and gas sector must be paid in the same currency in which the gain was received. The following rates apply:

	Capital gain	Tax rate
1	Up to MMK100 billion	40%
2	From over MMK100 billion to MMK150 billion	45%
3	Over MMK150 billion	50%

Calculation of CGT

CGT is calculated on the full value of the sale, exchange or transfer after deducting depreciation, the original asset cost, any capital expenditures to increase the life of the asset, and any expenditures incurred in the procurement, sale, exchange or transfer of the asset. Depreciation is not allowed for the year of disposal of the capital asset.

Personal Income Tax

Overview

Employers, whether residents or non-residents of Myanmar for tax purposes, are liable to deduct personal income tax (“**PIT**”) from payments of salaries, wages and other remuneration made to all employees. Employees that are residents of Myanmar (both Myanmar nationals and foreigners) are taxed on their worldwide income at progressive rates after deducting the prescribed allowances and reliefs; whereas non-residents are taxed only on their Myanmar-sourced income, at the same progressive rates

Residency

A foreign individual is considered as a resident foreigner for tax purposes if they are residing in Myanmar for 183 days and more during an income year (1 October 2021 to the following 31 March 2022 for interim FY2021-2022 and 1 April 2022 to the following 31 March 2023 for FY2022-23). Accordingly, foreigners who are residing in Myanmar for less than 183 days are considered non-resident foreigners.

Taxable salary

Salary income as defined by the ITL includes “salary, wages, annuities, bonuses, awards, and fees or commissions received in lieu of or in addition to the salary or wages”. Taxable benefits are not defined under the law; therefore, any payment from an employer to an employee will be considered a taxable benefit unless it can be demonstrated that it is business-related only.

The following are exempt from PIT: pensions, gratuities, salary income of non-resident citizens received in foreign currency abroad, and money received from the state lottery. According to the Union Tax Law (“**UTL**”) 2021 and 2022 anyone whose annual salary income is MMK4.8 million or less is exempt from paying PIT.

Tax reliefs and allowances for Myanmar residents

- Basic allowance of 20% of the total annual income, up to a maximum of MMK10,000,000 per year (approximately US\$5,000)
- MMK1,000,000 (approximately US\$500) per annum for one non-working spouse who is not earning assessable income during a financial year and is living with the taxpayer
- MMK500,000 (approximately US\$250) per annum for each child living with the taxpayer who fulfills ALL of the following criteria: (i) is unmarried; (ii) is not earning assessable income; and (iii) is either under 18, or if 18 or over, is in full-time education

- MMK1,000,000 (approximately US\$500) per parent for dependent parents living with the taxpayer (the term “parent” includes a father- or mother-in-law)
- Premium paid for the life insurance of the taxpayer and the taxpayer’s spouse
- Contribution towards the savings fund as prescribed by the Income Tax Rules
- Social security contributions made by employees to the Social Security Board (2% of annual salary, capped at MMK72,000 per annum) (approximately US\$36)

**Using an exchange rate of US\$1 = MMK2,000*

Rates of tax

The tax rates for resident and non-resident employees are now at the same progressive rates, although for resident taxpayers, the PIT rates are applied on their worldwide income after deduction of the reliefs and allowances above, while for non-residents, the PIT rates are applied on their Myanmar-sourced salary income without any deduction.

The following table shows the PIT rates on annual salary income. Approximate US\$ amounts are shown in brackets based on an exchange rate of US\$1 = MMK2,000.

No.	Taxable Income Range		Income tax rate
	From MMK (US\$)	To MMK (US\$)	
1	1 (0.0005)	2,000,000 (1,000)	0%
2	2,000,001 (1,000)	10,000,000 (5,000)	5%
3	10,000,001 (5,001)	30,000,000 (15,000)	10%
4	30,000,001 (15,001)	50,000,000 (25,000)	15%
5	50,000,001 (25,001)	70,000,000 (35,000)	20%
6	70,000,001 (35,001) and above		25%

Social Security Contributions

The Social Security Law requires an employer with more than five employees to contribute to a social security scheme. The rates of the monthly contributions by the employer and employees are 3% and 2%, respectively, of an employee’s total salary including benefits (capped at a maximum monthly salary of MMK300,000), in local currency or US dollars, depending on the currency in which the employee is paid. Hence, the maximum monthly contribution for an employee is MMK6,000, and for an employer it

is MMK9,000 per employee. The employer is responsible for deducting the contribution from the employee's salary and paying the amount to the social security board.

Rental income

If income is derived from lease of land, buildings, or apartments for individual taxpayers, such income will be subject to income tax at 10% after deduction of prescribed tax reliefs and allowances.

For state-owned enterprises, businesses, and companies operating under permits issued by the MIC, or cooperative societies, income tax shall be charged at the applicable rates specified for that particular category of taxpayers.

Undisclosed source of income

Income escaping assessment will be subject to income tax at 30% for both citizens and foreigners before deduction of prescribed tax reliefs and allowances mentioned under the PIT section.

However, if the citizen can disclose source for income used for buying, constructing or acquiring any capital assets or establishing a new business or expanding an existing business, the portion of income that source can be proved shall be deducted from the total undisclosed income and the balance of the undisclosed income will be taxed at the progressive rates mentioned in the table below. Undisclosed source of income is still subject to income tax at progressive tax amnesty rates ranging from 3% to 30% under the amended UTL 2021; however, the income ranges have been expanded.

From 1 October 2021 to 7 January 2022, the old income range will be applicable. The new income range will be effective 8 January 2022 (FY2021-22) and it is valid until 31 March 2023 (FY2022-2023).

A comparison of old and new income ranges for undisclosed income is shown in the table below.

Tax rate	Old Income Range (MMK) under UTL 2021	New Income Range (MMK) under amended UTL 2021
3%	1 – 100,000,000	1 – 300,000,000
5%	100,000,001 – 300,000,000	300,000,001 – 600,000,000
10%	300,000,001 – 1,000,000,000	600,000,001 – 1,000,000,000
15%	1,000,000,001 - 3,000,000,000	1,000,000,001 - 3,000,000,000
30%	3,000,000,001 and above	3,000,000,001 and above

Double Taxation Agreement

Myanmar has Double Taxation Agreements (“**DTAs**”) in force with eight countries: the United Kingdom, Singapore, Malaysia, Thailand, Vietnam, India, the Republic of Korea, and Laos, with a number of other DTAs in the draft stage, including Indonesia and Bangladesh. Accordingly, the income tax imposts may be reduced by any DTAs that are currently in effect.

The relief under the applicable DTA is not automatically granted and the taxpayer concerned must submit their arguments and evidence to the IRD for review before their income tax becomes due. In other words, applications for DTA relief must be approved before 31 March in each financial year. Certificate of Residence will be required in a DTA application. Please note that if the service contract value is US\$100,000 and below, a payer under the Self-Assessment System is no longer required to submit a DTA relief application to the IRD.

Commercial Tax

Overview

Commercial tax (“CT”) is levied on four types of activities:

- Local production and sale of goods
- Importation of goods
- Trading
- Provision of services

Taxable and Non-taxable goods & services

Under UTL 2021 and UTL 2022, there are 45 goods exempted from CT, and the majority of the exempted goods are related to food products (see Annex 2, Page 32, for details). And, 33 types of services are exempted from CT (see Annex 3, Page 37, for details).

All kinds of goods sold and services rendered in Myanmar are subject to CT at 5% except for the following goods and services:

Activities	CT Rate
Hotel and tourism services	3%
The construction, renovation, and sale of buildings (whether by renting state-owned land or a joint venture (“JV”) with the State or on privately-owned land or by entering into a JV with a private landowner)	3%
The importation and sale of gold jewelry	1%
Internet services	15%
Sale of a sim card and sim card activation (effective 8 January 2022, FY2021-2022)	MMK 20,000

Revenue threshold for charging and paying CT

Taxpayers whose revenue from trading, sale of goods and services in a year exceeds the minimum threshold of MMK50 million are obliged to charge, collect and pay CT to the IRD. A year means twelve months from the commencement of business including the month of commencement of business.

Registration

CT on importation will be collected by the Customs Department together with customs duty. In addition, if a taxpayer wishes to offset input CT (i.e., CT paid on the purchase of goods and services) against their output CT (i.e., CT charged on the sale of goods and services), the taxpayer is required to be registered with the relevant Internal Revenue Department for CT purposes.

Rates of tax

Below is a summary of the applicable CT rates:

Activities	CT Rate
Importation	5% unless exempted
Local manufacturing	5% unless exempted
Trading	5% unless exempted
Exportation	Zero rated, unless crude oil 5% and electricity 8%
Services rendered in Myanmar	5% unless exempted
Real estate	
- lease	5%
- sale of building	3%
Importation and sale of jewelries made with gold	1%
Hotel and tourism services	3%
Internet services	15%
Sales of Sim-card and Sim-card activation	MMK 20,000 per sim-card

Basis of taxation

The tax base is the sale or service proceeds including Specific Goods Tax (if applicable) from trading, rendering services, local production or sales of goods. For imports, the tax base is the CIF (cost, insurance and freight) value, customs duty and SGT (if applicable).

Offsetting input and output CT

All input CT can be offset against output CT. However, input CT paid on damaged goods and unsold goods cannot be offset against output CT. If there is more input CT than output CT at the end of the income year, the unutilized input CT cannot be carried forward or will not be refunded by the IRD. However, such input CT can be deducted as a business expense when

calculating CIT. Please note that unutilized input CT on advance rental fees, unsold goods and unutilized raw materials can be carried forward to next income year subject to IRD's approval. We also note that input CT paid on the purchase of jewelry made with gold cannot be offset against output CT on the sale and exportation of such jewelry.

Specific Goods Tax

Overview

Myanmar introduced a Specific Goods Tax ("**SGT**"), effective from 1 April 2016. SGT is imposed on:

- The import of specific goods into Myanmar
- The local production of specific goods
- The export of specific goods overseas

Therefore, importers, producers and exporters of specific goods are subject to paying SGT. As per UTL 2021 and UTL 2022, there are 14 types of specific goods.

SGT exemptions

There are a number of SGT exemptions, including an exemption for the export of specific goods temporarily imported for the purpose of re-exporting in the same condition.

Revenue threshold for charging and paying SGT

Apart from the local production of tobacco, cheroots and cigars that does not exceed the minimum threshold of MMK20 million, there is no threshold for other types of specific goods.

Registration

Importers, producers and exporters of specific goods must register with the relevant IRD.

Rates of tax

SGT rates are announced on a yearly basis in the UTL. Please refer to Annex 4 (Page 40) for current SGT rates imposed on local production and importation as per the UTL 2021 and UTL 2022.

The SGT rates for exportation are mentioned in Annex 5 (Page 44).

Basis of taxation

The SGT basis for importation is the landed value of the specific goods. For local production of specific goods which are taxable as per price range, the basis is the greater of the factory sales price or the sales price as estimated and specified by the Director General and Management Committee of the IRD. For local production of specific goods which are not taxable as per price range will be assessed based on the value determined Management Committee of the IRD. However, the value determined by the IRD for locally produced

specific goods which are not taxable as per price range would be similar to the landed value of similar goods imported from overseas.

Offsetting input and output SGT

Input SGT can be offset with output SGT.

Jewelry Tax

Overview

All gems and jewelries are excluded from specific goods category and will now be subject to Jewelry Tax under the Myanmar Gemstone Law. Jewelry Tax will be based on the higher value among the sales price of the seller and the sales price determined by the Myanmar Gems Enterprise based on the actual sales prices. For imported gems, Jewelry Tax will be based on the landed value. Please refer to below table regarding Jewelry Tax rates.

No.	Type of gems	Tax rate
1.	Raw jade	11%
2.	Raw gemstones of ruby, sapphire and other precious raw gemstones, except diamonds and emeralds	9%
3.	Finished gemstones of jade, ruby, sapphire (except diamonds and emeralds) and other finished precious gemstones; and finished jewelry made with jade, ruby, sapphire, and other precious gemstones, except diamonds and emeralds	5%
4.	Goods made with gemstones	5%

Tax Compliance Requirements

The financial year in Myanmar is now from 1 April to following 31 March.

Compliance timelines and penalties

Tax	Payment	Filing	Penalty
CIT	Payments quarterly, within 10 days after the end of each quarter	Annual return within three months after the income year-end (i.e., 30 June)	<ul style="list-style-type: none"> - Late payment - 10% of unpaid tax due - Late return filing - the higher of either: <ul style="list-style-type: none"> - 5% of payable tax and 1% of payable tax for each or part of the month during which the failure to file continues; or - MMK 100,000
WHT	Payment within 15 days of payments to suppliers. In practice, the returns and payments can be done on a monthly basis.		<ul style="list-style-type: none"> - Late payment - 10% of payable WHT amount - Failure to deduct WHT – the IRD will consider the payer as a defaulter and will recover payable WHT amount from the payer
CT	Payment on a monthly basis within 10 days after the month-end	Quarterly, within one month of the end of each quarter and annual returns within three months after the income year end (i.e., 30 June)	<ul style="list-style-type: none"> - Late payment - 10% of unpaid tax due - Late return filing - the higher of either: <ul style="list-style-type: none"> - 5% of payable tax and 1% of payable tax for each or part of the month during which the failure to file continues; or - MMK100,000

Tax	Payment	Filing	Penalty
PIT	Payments within 15 days after disbursement of salary	Annual return within three months after the income year end (i.e., 30 June)	<ul style="list-style-type: none"> - Late payment - 10% of unpaid tax due - Late return filing - the higher of either: <ul style="list-style-type: none"> - 5% of payable tax and 1% of payable tax for each or part of the month during which the failure to file continues; or - MMK100,000
SGT	Payment on a monthly basis, within 10 days after the month-end	Quarterly, within 10 days after the quarter-end	<ul style="list-style-type: none"> - Late payment - 10% of unpaid tax due - Late return filing - the higher of either: <ul style="list-style-type: none"> - 5% of payable tax and 1% of payable tax for each or part of the month during which the failure to file continues; or - MMK 100,000
CGT	Payments within 30 days from the date of transfer or sale of capital assets	Transaction CGT filing – within 30 days from the date of transfer of capital assets	<ul style="list-style-type: none"> - Late payment - 10% of unpaid tax due - Late return filing - the higher of either: <ul style="list-style-type: none"> - 5% of payable tax and 1% of payable tax for each or part of the month during which the failure to file continues; or - MMK 100,000

Other Taxes

Stamp Duty

The Stamp Act, as amended on 1 April 2014, is the fundamental legislation in respect of stamp duty (“SD”) obligations. The main purpose of levying SD is to give legal effect to chargeable instruments. Chargeable instruments are documents that create, transfer, extinguish or record rights or obligations. As a general rule, SD is levied on all chargeable instruments, unless explicitly exempted.

If the SD is not paid at the time of execution of the instruments or within one month (in practice) of their execution, the IRD will impose a penalty of either 500MMK or three times the amount of the overdue SD.

Please refer to Annex 6 for (Page 45) detailed SD rates.

Property Tax

The fundamental legislation for property tax (“PT”) is the Yangon City Development Law 2018 and Yangon City Development Committee (“YCDC”) was created to administer these laws and collect PT. PT only applies to certain land, buildings or land and buildings (“premises”) located within the territory of Yangon (Territory); in other areas of Myanmar, for instance Mandalay or Nay Pyi Taw, PT is administered in accordance with relevant local regulations.

PT includes four categories of taxes: miscellaneous tax, lighting tax, water tax and sanitation tax. PT is levied on the annual value of land or premises in question but subject to different tax rates and is payable once in a year. The rates and calculation of PT depend on the purposes of use of the premises. The general user of the premises is liable to pay PT on an annual basis once YCDC has already assessed the annual value of the premises.

Customs Duty

In Myanmar, customs duty is levied in accordance with the Sea and Land Customs Act. Customs duty is levied on Assessment Value and is payable according to the tariff schedule listed by HS code published by the Customs Department.

Investment Incentives

Myanmar Investment Commission incentives

An investment license issued by the MIC for qualified projects provides a number of advantages that have been specified in the Myanmar Investment Law 2016, as outlined in the chart below.

No.	Advantage	Description
1	CIT holiday	Only promoted business activities mentioned under MIC Notification 13/2017 is entitled to apply for income tax holiday. Depending on the investment zone, the CIT holiday period can be 7 years (Zone 1), 5 years (Zone 2) and 3 years (Zone 3).
2	Tax-free profit if reinvested	Profit which is reinvested within one year is exempt from CIT, including the profit reinvested in any similar type of business
3	Depreciation	Higher depreciation rates may be allowed to start from the date of commercial operation
4	R&D deduction	Right to deduct R&D costs from assessable income. It is capped at maximum 10% of the assessable income
5	Exemption for imports of machinery, equipment, materials, spare parts, construction materials that cannot be purchased locally	Exemption from customs duty and other local taxes during the construction period and expansion period of the project i.e., maximum 2 years
6	Exemption for raw materials and semi-finished goods	Exempt from customs duty and other local taxes for export-oriented businesses
7	Refund of taxes and custom duty in case of export	When goods are exported, refund of customs duty and other local taxes paid on the import of the raw materials and semi-finished goods used for manufacturing of export goods

Special Economic Zone incentives

There are two main zones under the Special Economic Zone (“SEZ”) Law, and businesses investing in an SEZ are provided with a number of advantages, as listed in the chart below.

Exemptions & Relief	Free/Exempt Zone [#]	Promotion Zone [#]
Tax holiday	7 years of CIT exemption from the start of commercial operations	5 years of CIT exemption from the start of commercial operations
	CIT rate reduction of 50% for the following 5-year period	CIT rate reduction of 50% for the second 5-year period
	50% of the profits exempted for the next 5-year period (requires reinvestment of profits within 1 year)	50% of the profits exempted for the third 5-year period (requires reinvestment of profits within 1 year)
Customs duty and other taxes	Exemption from customs duty and other taxes on imports of: raw materials to be used in production; machinery and spare parts; construction materials to construct a factory, warehouse, and offices; and vehicles and other equipment required for the business	Exemption from customs duty and other taxes for 5 years and a 50% reduction for another 5 years on imports of: equipment and spare parts to be used in the business (and not for trading purposes); construction materials to construct a factory, and warehouse; vehicles and other equipment required for the business
		Can apply for a refund of the customs duty and other taxes paid on the import of raw materials, provided semi-finished or finished goods are exported
Carry forward and set off of losses	Can be carried forward for 5 years	Can be carried forward for 5 years

[#] Free/Exempt Zone is for export and Promotion Zone is for domestic sales orientated business.

Investment and Free Trade Agreements

Myanmar has signed the ASEAN Comprehensive Investment Agreement (“**ACIA**”) with other nine ASEAN member states (“**ASEAN**”) in 2012. In addition, ASEAN has signed Free Trade Agreements (“**FTA**”) with China, South Korea, Australia/New Zealand, Japan and India. Therefore, Myanmar has FTA with five countries.

Myanmar has Bilateral Investment Treaties (“**BIT**”) with 12 countries which include Israel, South Korea, the United States of America, Indonesia, Japan, India, Thailand, Kuwait, Laos, China, Vietnam, Philippines.

Annex 1: Tax Depreciation Schedule

No.	Type of capital asset	Percentage of the original value	
1	Building		
	a	First-class reinforced concrete buildings	
	1	Factory buildings	2.5
	2	Other buildings	1.25
	b	Second-class brick buildings	
	1	Factory buildings	5
	2	Other buildings	2.5
	c	Wooden buildings with tiled or CGI sheet roofs	
	1	Factory buildings	10
	2	Other buildings	5
d	Buildings made of bamboo and thatch	Repair cost shall be allowed as a current expenditure	
2	Furniture and fixtures		
	a	Miscellaneous	5 (No depreciable amount is allowed for crockery, glassware, linen and plastic sheets. The cost of replacing them will be allowed as a current expenditure.)
	b	Furniture, fixtures, silverware and kitchenware used in hotels, cinemas and apartments	6.25

Tax Depreciation Schedule (cont.)

No.	Type of capital asset	Percentage of the original value	
	c Musical instruments used in hotels, theaters and cinemas	10	
3	Machinery		
	a Miscellaneous	5	
	b	Specific depreciable amounts shall be allowed for the following:	
		1 Rice mills	6.25
		2 Wheat flour mills	6.25
		3 Oil mills	6.25
		4 Ice factories	6.25
		5 Soft drink factories	6.25
		6 Coffee factories	6.25
		7 Black tea factories	6.25
		8 Distillery	6.25
		9 Bakery and biscuit factories	6.25
		10 Noodle, vermicelli, etc. factories	6.25
		11 Flour mills	6.25
		12 Canneries	6.25
		13 Tanneries	6.25
		14 Shoe factories	6.25
		15 Dry cell factories	6.25
		16 Glue factories	6.25
		17 Soap factories	6.25
		18 Candle factories	6.25
		19 Rope-making factories	6.25
		20 Aluminum kitchenware factories	6.25
21 Tin container factories		6.25	
22 Plasticware factories	6.25		

Tax Depreciation Schedule (cont.)

No.	Type of capital asset	Percentage of the original value		
	23	Sawmills	6.25	
	24	Quicklime kilns	6.25	
	25	Electric appliance factories	6.25	
	26	Rock wares factories	6.25	
	27	Smelting factories (except iron smelting)	6.25	
	28	Lathe machines	6.25	
	29	Dockyard machinery	6.25	
	30	Pulse and bean husking and splitting mills	6.25	
	c	1	Oil cake factories	10
		2	Chemical substance factories	10
		3	Bleaching and dyeing factories	10
		4	Rubber product factories	10
		5	Brick kilns	10
		6	Roof tile factories	10
		7	Wire and nail factories	10
		8	Textile mills	10
9		Salt kilns	10	
4	Machines and equipment			
	a	Overhead cables (big)	2.5	
	b	1	Generators	6.25
		2	Electric transmitters	6.25
		3	Underground cables (big)	6.25
		4	Elevators	6.25
		5	General electrical appliances	6.25
		6	Metal plating machines	6.25
		7	Machines used for repair and maintenance	6.25

Tax Depreciation Schedule (cont.)

No.	Type of capital asset		Percentage of the original value	
	8	Printing machines	6.25	
	9	Air compressors and pneumatic machines	6.25	
	c	Ice-cream makers	10	
	d	Machines used for movie production and projection	12.5	
	e	X-ray and therapeutic apparatuses	20	
5	Water transportation			
	a	Non-motorized iron-hulled vessels	5	
	b	Motorized iron-hulled vessels	6.25	
	c	Wood-hulled vessels	10	
6	Road transport vehicles			
	a	1	Motor vehicles	12.5
		2	Bicycles and trishaws	12.5
	b	Taxis, trucks, buses and non-motorized vehicles	20	
7	Miscellaneous			
	a	1	Office equipment	10
		2	Weighing machines	10
		3	Other machines and instruments used in workshops and factories	10
		4	Garment and headgear-making machines	10
		5	Machines used to produce leather and canvas products	10
		6	Refrigerating machines	10
		7	Machines used for construction	10
		8	Machines used to produce ironware for construction and household use	10
		9	Machines used by mines	10
		10	Hand-weaving looms	10

Tax Depreciation Schedule (cont.)

No.	Type of capital asset		Percentage of the original value	
	b	1	Sugar cane juice making machine	12.5
		2	Surgical tools	12.5
	c	1	Machines used for mechanized farming	20
		2	Cranes	20
8	Other miscellaneous items for work purposes			
	a	1	Airplanes	12.5
		2	Machines used for data compilation and calculators	10
		3	Articles used by actors	20
		4	Recording and amplifying apparatuses	10
		5	Bottle cleaners	10
		6	Carton box making machines	6.25
		7	Breweries and distilleries	5
		8	Cameras and photographic items	10
		9	Cement factories	6.25
		10	Chemical substance factories	6.25
		11	Computerized machines	20
		12	Cotton crushing machines	6.25
		13	Condensed milk factories	10
		14	Duplicators and photocopiers	10
		15	Iron smelting machines	5
		16	Glass factories	6.25
		17	Pesticide factories	
		18	Knitting machines	
		19	Laundry and dyeing work	
			- General use equipment	10
- Washing machines	12.5			
20	Match factories	5		

Tax Depreciation Schedule (cont.)

No.	Type of capital asset	Percentage of the original value
21	Oil and gas companies	
	- Machines and equipment	5
	- Pipelines	5
	- Drilling equipment	20
	- Drilling platforms	10
	- Geophysical testing equipment	10
	- Seismic monitoring equipment	10
	- Other testing equipment	10
22	Oxygen and acetylene making machines	5
23	Paint and varnish making machines	6.25
24	Chicken meat processing machines	6.25
25	Sewing machines	10
26	Paint spraying machines	10
27	Sugar making machines	6.25
28	Tarpaulin (canvas or plastic) machines	12.5
29	Television	
	- Antennas	2.5
	- Other equipment	12.5
	- Receivers	
	(a) General	10
	(b) Rental	12.5
30	Roof tile machines	10
31	Typewriters (electric and manual)	10
32	Umbrella making machines	10
33	Vacuum cleaners	10

Tax Depreciation Schedule (cont.)

No.	Type of capital asset		Percentage of the original value
	34	Video	
		- Game machines	20
		- Other video machines	10
	35	Washing machines	12.5

Annex 2: Commercial Tax-exempted Goods

No.	Type of goods
Food Stuffs	
1	Paddy, rice, broken rice, fine bran, coarse bran, husk, Fine and coarse wheat bran, and wheat seeds, various types of maize and their seeds
2	Varieties of whole and split pulses and beans, and their flour, bran and husks, Groundnuts, shelled and unshelled, Sesame, Niger, residual oil-cake of groundnut, sesame, cotton seed, rice bran etc.
3	Onions, garlic, Potatoes, Spices (leaves, fruit, seeds, bark) and spice mixtures (masala), Chili, chili powder, Turmeric and turmeric powder, ginger, Ripe tamarind, Various types of salt
4	Fresh assorted fruit, Vegetables
5	Fresh tea leaves, dried tea leaves, dried shredded tea leaves, processed and packaged dried tea leaves
6	Fresh fish, fresh prawns, and fresh meat, Various types of eggs (chicken, duck, etc.)
7	Groundnut oil, sesame oil
8	Sugarcane, sugar, jaggery, and brown slab sugar, various types of milk and dairy products, condensed milk, evaporated milk, various types of milk powder, yoghurt and soy milk
9	Creamers
10	Varieties of fish sauce (ngan-pya-ye), Various types of dried fish and dried prawns, Various types of pickled fish and pickled prawns, Coarse fish and prawn powder, Various types of fish paste (ngapi)
Agriculture and Livestock Related Goods	
11	Mulberry leaves, Silk cocoons
12	Live animals, fish and prawns, terrestrial animals, aquatic animals, amphibians, their eggs, their embryos, their offspring, and specimens from them, aquatic plants and seeds, seedlings, algae, and moss

Commercial Tax-exempted Goods (cont.)

No.	Type of goods
13	Soil and fertilizers, including chemical fertilizers used for growing plants and enhancing fructification in agricultural activities, various types of agricultural insecticides, herbicides, fungus, bacteria, nematodes and other plant protection agrochemicals, various types of fumigations used in livestock farms (mosquito coils and sprays, and rat poison not included), animal, fish and prawn medicines, veterinary preventive medicines (including the medicines and preventive medicines approved by the Ministry of Agriculture, Livestock and Irrigation Development and medicines licensed by Livestock Breeding and Veterinary Department), raw and finished materials for animal, fish and prawn feed (excluding food for pets).
14	Palm oil, sunflower seeds, cotton seeds, pumpkin seeds, melon seeds, cashew nuts, Areca (betel) nuts, areca (betel) nuts shells, quality crop and vegetable, seeds and plants
15	Raw cotton, cotton (assorted), cardamon, Thanakha , agricultural products not specified elsewhere , Coconut oil (not palm oil)
16	Coconut yarn
17	Firewood, bamboo, Raw and processed cane, fuel block as an alternative to firewood
Goods used in offices and schools	
18	Sealing wax, Assorted stamps (including revenue stamps)
19	National flag
20	Slate, slate pencils, and chalk, Graphite (lead) used for the production of pencils
21	Various types of school textbooks, education and technical reference books that can be used by schools, universities and colleges, exercise books and drawing books, literature, magazines, journals and newspapers, and paper for the production of such books (between 40 gsm and 80 gsm only) and all sorts of pencils, various types of rulers, erasers, sharpeners.
Health Related Goods	
22	Medicinal herbal plants

Commercial Tax-exempted Goods (cont.)

No.	Type of goods
23	Various types of mosquito repellent for home use
24	Honey, beeswax
25	X-ray film, X-ray paraphernalia, and other medical equipment prescribed by the Health Department, Medical cotton, cloth, bandages, hospital outfits, masked, surgical gloves, masks that are used in prevention of influenza virus and miscellaneous items, Various types of household medicine and other pharmaceuticals and various types of traditional medicine (medicines given licensed or registered under Food and Drug Administration which are not been prohibited by any law and regulations), Raw materials for medicine including raw materials for traditional medicine.
26	Condom
Religions and Social Use Goods	
27	Rosaries (except for rosaries made with precious gemstones), Religious clothes (robes, etc.).
28	Fire engines, search and rescue vehicles and hearses
Transportation Related Goods	
29	Fuel sold to foreign embassies, UN organizations and foreign diplomats by the Ministry of Electricity and Energy
30	Jet fuel to be used for both international and domestic flights
31	Airplane and helicopter engines, equipment, accessories, and parts thereof
Industrial Goods	
32	Bleaching substances (only those that use hydrochloride for bleaching), Raw materials to produce detergent, Raw materials to produce soap and raw soap
33	Jute and other fibers, Oil dregs and gum tragacanth

Commercial Tax-exempted Goods (cont.)

No.	Type of goods
34	Agricultural and livestock tools; agricultural and livestock machinery and equipment, and their spare parts; tractors; equipment used for preparing the land and harvesting, threshing and drying together with humans or animals; machines and spare parts (except for motor vehicles that are required to be licensed as per the Motor Vehicle Law), various livestock equipment and tools, machinery and spare parts used for livestock. Semen (including frozen semen), sperm, and eggs used for artificial insemination for livestock improvement, embryos, and equipment for artificial insemination.
35	Solar panels, solar charger controllers, and solar inverters
36	Raw materials or sub-assemblies or packaging materials for finished goods, machines, tools and machinery and their respective spare and extra parts that are not for resale and sent by clients from abroad for the purpose of producing any finished goods on a Contract Manufacturing basis.
Defense Related Goods	
37	Weapons, vehicles, machinery, materials, equipment and their spare parts used by defense and security forces of the Union, Various types of gunpowder, dynamite and any other materials for civilian purposes (Only the products which are permitted by the office of Defense in Chief (Army), Goods for the armed forces bought using the allotted budget of the Ministry of Defense
Gemstones and Mineral Resources Related Goods	
38	Blocks of pure gold (Standard gold bars and gold coins), Raw gemstones and finished gemstones of jade, ruby, sapphire sold at local Myanmar Gems Emporiums held by the Government
39	Oil dregs
Miscellaneous Goods	
40	Goods to be sold at duty-free shops to passengers leaving the country.

Commercial Tax-exempted Goods (cont.)

No.	Type of goods
41	Goods under the principle of reciprocity to be used by foreign embassies or consulates, their members and staff who are not ambassador which are approved by the Ministry of Planning and Finance by issuing the notification as per proposal of the Ministry of Foreign Affairs under the permission of Union Government.
42	Goods purchased from local or foreign sources under the name of any local United Nations entity.
43	Goods purchased with cash donations or contributions given to the State by local or foreign benefactors.
44	Goods exempt from taxes by notification of the Union Government with the approval of the State Administration Council according to State requirements.
45	Goods imported under temporary admission or on a drawback basis subject to customs procedures.

Annex 3: Commercial Tax-exempted Services

No.	Type of service
Foreign Affair Sector	
1	Services used by foreign embassies or consulates and members and staff thereof under the principle of reciprocity, recommended by the Ministry of Foreign Affairs, notified by the Ministry of Planning, Finance and Industry under the permission of Union Government.
2	Local services used under the name of the country offices of United Nations organizations
Defense Sector	
3	Publications by the Security Press of the Ministry of Defense
Religions and Cultural Affairs Sector	
4	Culture and arts services
Transportation Sector	
5	Parking lot rental services
6	Haulage (cargo transportation) services (transport services by train, car, watercraft, airplane, and crane, except transport through pipelines)
7	Moving services
8	Toll collection services
9	Domestic and international air passenger transportation services with fares
10	Public transport services
11	Postal service provided by Union Government
Education and Information Sector	
12	Education Services
13	Publishing services for books, magazines, journals, and newspapers
Health Sector	
14	Healthcare services except from cosmetic surgery
15	Traditional massage and massage by the blind
16	Animal healthcare services

Commercial Tax-exempted Services (cont.)

No.	Type of service
17	Public toilet entrance fee collection services
Planning and Finance Sector	
18	Life Insurance Services
19	Microfinance services
20	Capital market services
21	Banking and financial services conducted with the permission of the Central Bank of Myanmar
22	Customs and port clearance services
23	Lottery business
Social Welfare, Relief and Resettlement Sector	
24	Catering equipment rental services
25	Funeral services
26	Childcare and nursery services
Industrial and Electrical Sector	
27	Services provided on a contract manufacturing basis
28	Industrial agriculture services
29	Private small-scale electricity production and distribution services provided to the regions that are not connected to the national grid yet
Miscellaneous Sector	
30	License fees paid to government organizations in order to obtain any license
31	Services exempt by the notification of the Union Government because of State requirements with the approval of the Pyidaungsu Hluttaw
32	Services received via donations or contributions by local and foreign organizations to the Union

Commercial Tax-exempted Services (cont.)

No.	Type of service
33	Interdepartmental services between the President's Office, Union Government Office, Pyidaungsu Hluttaw Office, Pyithu Hluttaw Office, Amyotha Hluttaw Office, Union Supreme Court Office, Constitutional Tribunal Office, Union Election Commission Office, Union Ministries, Union Attorney General Office, Union Auditor General Office, Union Civil Service Board Office, Nay Pyi Taw Council Office, Central Bank of Myanmar, Social Security Board, Region or State Government Offices, government departments, etc. (except services provided to or received by state-owned economic enterprises)

Annex 4: Specific Goods Tax rates for local production and importation

No.	Type of Specific goods	Price range	Tax rate
1	(a) Cigarettes, all types	Up to a sales price of MMK700 per pack of 20 cigarettes	MMK10 per cigarette
	(b) Cigarettes, all types	For a sales price of MMK701 to MMK900 per pack of 20 cigarettes	MMK19 per cigarette
	(c) Cigarettes, all types	For a sales price of MMK901 to MMK1,100 per pack of 20 cigarettes	MMK24 per cigarette
	(d) Cigarettes, all types	For a sales price of MMK1,101 and above per pack of 20 cigarettes	MMK27 per cigarette
2	Tobacco		60%
3	Virginia tobacco, cured		60%
4	Cheroot		MMK1 per cheroot
5	Cigars		80%
6	Pipe tobacco		80%
7	Betel quid preparations		80%
8	(a) Liquor, all types	MMK200 to MMK1,000 per liter	MMK180 per liter
	(b) Liquor, all types	MMK200 to MMK1,200 per liter	MMK190 per liter
	(c) Liquor, all types	MMK1,201 to MMK2,300 per liter	MMK500 per liter
	(d) Liquor, all types	MMK2,301 to MMK3,400 per liter	MMK855 per liter
	(e) Liquor, all types	MMK3,401 to MMK4,600 per liter	MMK1,200 per liter

Specific Goods Tax rates for local production and importation (cont.)

No.	Type of Specific goods	Price range	Tax rate
	(f) Liquor, all types	MMK4,601 to MMK5,800 per liter	MMK1,560 per liter
	(g) Liquor, all types	MMK5,801 to MMK7,000 per liter	MMK1,920 per liter
	(h) Liquor, all types	MMK7,001 to MMK8,200 per liter	MMK2,280 per liter
	(i) Liquor, all types	MMK8,201 to MMK9,400 per liter	MMK2,640 per liter
	(j) Liquor, all types	MMK9,401 to MMK10,600 per liter	MMK3,000 per liter
	(k) Liquor, all types	MMK10,601 to MMK11,800 per liter	MMK3,360 per liter
	(l) Liquor, all types	MMK11,801 to MMK13,000 per liter	MMK3,720 per liter
	(m) Liquor, all types	MMK13,001 to MMK14,200 per liter	MMK4,230 per liter
	(n) Liquor, all types	MMK14,201 to MMK15,400 per liter	MMK4,610 per liter
	(o) Liquor, all types	MMK15,401 and above per liter	60% of the value per liter
	(p) Liquor, all types	MMK15,001 and above per liter	60% of the value per liter
9	Beer, all types		60%
10	(a) Wine, all types	Up to MMK850 per liter	MMK92 per liter
	(b) Wine, all types	MMK851 to MMK1,600 per liter	MMK280 per liter
	(c) Wine, all types	MMK1,601 to MMK2,350 per liter	MMK465 per liter
	(d) Wine, all types	MMK2,351 to MMK3,100 per liter	MMK653 per liter

Specific Goods Tax rates for local production and importation (cont.)

No.	Type of Specific goods	Price range	Tax rate
	(e) Wine, all types	MMK3,101 to MMK3,850 per liter	MMK839 per liter
	(f) Wine, all types	MMK3,851 to MMK4,600 per liter	MMK1,025 per liter
	(g) Wine, all types	MMK4,601 to MMK6,100 per liter	MMK1,304 per liter
	(h) Wine, all types	MMK6,101 to MMK7,600 per liter	MMK1,676 per liter
	(i) Wine, all types	MMK7,601 to MMK9,100 per liter	MMK2,049 per liter
	(j) Wine, all types	MMK9,101 to MMK11,500 per liter	MMK2,421 per liter
	(k) Wine, all types	MMK11,501 to MMK13,600 per liter	MMK2,979 per liter
	(l) Wine, all types	MMK13,601 to MMK 16,600 per liter	MMK3,724 per liter
	(m) Wine, all types	MMK16,601 and above per liter	50% of the value per liter
11	Timber logs, wood cuttings		5%
12	(a) 1,501 CC to 2,000 CC vans, saloons, sedan and Estate Wagon, Coupe, except Pickup and electric cars including Double Cab 4 Door Pickup		10%
	(b) 2001 CC to 4000 CC vans, saloons, sedan and Estate Wagon, Coupe, except Pickup and electric cars including Double Cab 4 Door Pickup		30%

Specific Goods Tax rates for local production and importation (cont.)

No.	Type of Specific goods	Price range	Tax rate
	(c) 4,001 CC and above vans, saloons, sedan and Estate Wagon, Coupe, except Pickup and electric cars including Double Cab 4 Door Pickup		50%
13	Kerosene, gasoline, diesel, and jet fuel		5%
14	Natural gas		8%

Annex 5: Specific Goods Tax rates for export

No.	Specific Goods	Tax rate
1	Timber logs, wood cuttings	10%

Annex 6: Selected Stamp Duty Schedules

Agreements and Counterparts

Description of Instrument	Proper Stamp-duty
AGREEMENT OR MEMORANDUM OF AGREEMENT :-	
a. if relating to the sale of a bill of exchange;	MMK50
b. if relating to the sale of a Government security or share in an incorporated company or other body corporate;	Subject to a maximum of MMK10,000, MMK25 for every MMK100,000 or part thereof of the value of the security or share.
c. if relating to joint venture agreement, production or profit-sharing contract, construction agreement or other similar agreement or contract;	One per centum on the amount or value of the subject matters. Provided that the maximum duty shall be MMK150,000.
if not otherwise provided for.	MMK300
Exemptions	
Agreement or memorandum of agreement:- a. for or relating to the sale of goods or merchandise exclusively, not being a NOTE OR MEMORANDUM chargeable under No.43; b. made in the form of tenders to the Government of the Union of Myanmar for or relating to any loan; c. made under the Land Acquisition Act. d. AGREEMENT TO LEASE See LEASE (NO .35)	

Selected Stamp Duty Schedules (cont.)

Description of Instrument	Proper Stamp-duty
<p>AGREEMENT RELATING TO DEPOSIT OF TITLE-DEEDS, PAWN OR PLEDGE, that is to say, any instrument evidencing an agreement relating to :-</p> <ol style="list-style-type: none"> 1. the deposit of title-deeds or instruments constituting or being evidence of the title to any property whatever (other than a marketable security) ;or 2. the pawn or pledge of moveable property. Where such deposit, pawn or pledge has been made by way of security for the repayment of money advanced or to be advanced by way of loan or an existing or future debt :- 	
<p>a. if such loan or debt is repayable on demand or more than three months from the date of the instrument evidencing the agreement;</p>	<p>The same duty as a Bill of Exchange [No.13(a)] for the amount secured (if payable on demand, 0.0065% of the amount or value; if payable otherwise than on demand, 0.5% of the amount or value).</p>
<p>b. if such loan or debt is repayable not more than three months from the date of such instrument.</p>	<p>Half the duty payable on a Bill of Exchange [No.13 (a)] for the amount secured.</p>
<p>Exemptions</p>	
<p>Instrument of pawn or pledge of goods if unattested</p>	
<p>COUNTERPART OR DUPLICATE of any instrument chargeable with duty and in respect of which the proper duty has been paid:-</p>	
<p>a. if the duty with which the original instrument is chargeable does not exceed kyat 150;</p>	<p>The same duty as is payable on the original.</p>
<p>b. in any other case.</p>	<p>MMK100</p>

Selected Stamp Duty Schedules (cont.)

Description of Instrument	Proper Stamp-duty
Exemptions	
Counterpart of any lease granted to a cultivator when such lease is exempted from duty.	
LETTER OF CREDIT , that is to say, any instrument by which one person authorizes another to give credit to the person in whose favor it is drawn. LETTER OF GUARANTEE. See AGREEMENT (No.5).	MMK200

Bond

Description of Instrument	Proper Stamp-duty
BOND as defined by section 2(5), not being a DEBENTURE (No.27), and not being otherwise provided for by this Act or by the Court Fees Act –	0.5 per centum on the amount or value.
See ADMINISTRATION-BOND (No.2), BOT TOMRY BOND (No.16), CUSTOMS BOND (No.26), INDEMNITY-BOND (No.34), RESPONDENTIA BOND (No.56), SECURITY BOND (No.57).	
Exemptions	
Bond, when executed by - Any person for the purpose of guaranteeing that the local income derived from private subscriptions to a charitable dispensary or hospital or any other object of public utility shall not be less than a specified sum per mensem.	

Selected Stamp Duty Schedules (cont.)

Conveyance, lease, mortgage and re-conveyance

Description of Instrument	Proper Stamp-duty
CONVEYANCE , as defined by section 2(10) not being a TRANSFER charged or exempted under No.62-	Two per centum on the amount or value (additional 2% if relates to immovable property).
Exemptions	
Assignment of copyright made under the Myanmar Copyright Act. CO-PARTNERSHIP-DEED . See PARTNERSHIP (No.46)	
FURTHER CHARGE :- Instrument of, that is to say, any instrument imposing a further charge on mortgaged property:-	The same duty as a CONVEYANCE (No.23) (<u>2%</u>) for a consideration equal to the amount of the further charge secured by such instrument.
a. when the original mortgage is one of the description referred to in Clause (a) of Article No.40 (that is, with possession);	
b. when such mortgage is, one of the description referred to in Clause (b) of Article No.40 (that is, without possession): -	
i. if at the time of execution of the instrument of further charge possession of the property is given or agreed to be given under such instrument;	The same duty as a CONVEYANCE (No.23) (<u>2%</u>) for a consideration equal to the total amount of the charge (including the original mortgage and any further charge already made) less the duty already paid on such original mortgage and further charge.
ii. if possession is not given.	The same duty as a Bond (No.15) (<u>0.5%</u>) for the whole amount payable or deliverable under such instrument.

Selected Stamp Duty Schedules (cont.)

Description of Instrument	Proper Stamp-duty
LEASE , including an under-lease or sub-lease and any agreement to let or sub-let: -	
a. where by such lease the rent is fixed and no premium is paid or delivered:-	
i. where the lease purports to be for a term of less than one year	The same duty as a Bond (No.15) (<u>0.5%</u>) for the whole amount payable or deliverable under such lease.
ii. where the lease purports to be for a term of not less than one year but not more than three years;	The same duty as a Bond (No.15) (<u>0.5%</u>) for the amount or value of the average annual rent reserved.
iii. where the lease purports to be for a term in excess of three year;	The same duty as a CONVEYANCE (No.23) (<u>2%</u>) for a consideration equal to the amount or value of the average annual rent reserved.
iv. where the lease does not purport to be for any definite term;	The same duty as a CONVEYANCE (No.23) (<u>2%</u>) for a consideration equal to the amount or value of the average annual rent which would be paid or delivered for the first ten years if the lease continued so long.

Selected Stamp Duty Schedules (cont.)

Description of Instrument	Proper Stamp-duty
v. where the lease purports to be in perpetuity;	The same duty as a CONVEYANCE (No.23) (2%) for a consideration equal to the one-fifth of the whole amount of the rents which would be paid or delivered in respect of the first fifty years of the lease.
b. where the lease is granted for a fine or premium or for money advanced and where no rent is reserved;	The same duty as a CONVEYANCE (No.23) (2%) for a consideration equal to the amount or value of such fine or premium or advance as set forth in the lease.
c. where the lease is granted for a fine or premium or for money advanced in addition to rent reserved.	The same duty as a CONVEYANCE (No.23) (2%) for a consideration equal to the amount or value of such fine or premium or advance as set forth in the lease, in addition to the duty which would have been payable on such lease if no fine or premium or advance had been paid or delivered. Provided that, in any case when an agreement to lease is stamped with the ad valorem stamp required for a lease, and a lease in pursuance of such agreement is subsequently executed, the duty on such lease shall not exceed kyat 300.

Selected Stamp Duty Schedules (cont.)

Description of Instrument	Proper Stamp-duty
Exemptions	
a. Lease executed in the case of a cultivator and for the purposes of cultivation (including a lease of trees for the production of food or drink), without the payment or delivery of any fine or premium, when a definite term is expressed and such term does not exceed one year, or when the average annual rent reserved does not exceed kyat 10,000.	
b. Leases of fisheries granted under the existing Laws.	
MORTGAGE-DEED , not being an "AGREEMENT RELATING TO DEPOSIT OF TITLEDEEDS, PAWN OR PLEDGE (No.6)" , BOTTOMRY BOND (No.16) , MORTGAGE OF A CROP (No.41) , RESPONDENTIA BOND (No.56) , OR SECURITY BOND (No.57) :-	
a. when possession of the property or any part of the property comprised in such deed is given by the mortgagor or agreed to be given;	The same duty as a CONVEYANCE (No.23) (2%) (Additional 2% if relates to immovable property) for a consideration equal to the amount secured by such deed.
b. when possession is not given or agreed to be given as aforesaid;	The same duty as a BOND (No.15) (0.5%) for the amount secured by such deed.

Selected Stamp Duty Schedules (cont.)

Description of Instrument	Proper Stamp-duty
Explanation	
A mortgagor who gives to the mortgagee a power-of-attorney to collect rents or a lease of the property mortgaged or part thereof, is deemed to give possession within the meaning of this Article;	
c. when a collateral or auxiliary or additional or substituted security, or by way of further assurance for the abovementioned purpose, where the principal or primary security is duly stamped:-	
- for every sum secured not exceeding kyat 1,000,000; and	kyat 50
- for every kyat 100,000 or part thereof secured in excess of kyat 1,000,000.	kyat 50
Exemptions	
1. Instruments executed by persons taking advances under the existing relevant Laws, or by their sureties as security for the repayment of such advances.	
2. Letter of hypothecation accompanying a bill of exchange.	
RECONVEYANCE of mortgaged property or instrument of extinguishment of a mortgage.	Subject to the maximum of kyat 10,000 the same duty as a CONVEYANCE (No.23) (2%) (Additional 2% if relates to immovable property) for the amount of the consideration for the mortgage.

Selected Stamp Duty Schedules (cont.)

Promissory Note

Description of Instrument	Proper Stamp-duty
PROMISSORY NOTE [as defined by section 2(22)]:-	
a. when payable on demand:-	
i. when the amount or value does not exceed kyat 25,000;	kyat 50
ii. when the amount or value exceeds kyat 25,000 but does not exceed kyat 100,000;	kyat 100
iii. in any other case.	kyat 150
b. when payable otherwise than on demand.	The same duty as a BILL OF EXCHANGE (No.13) for the same amount payable otherwise than on demand (if payable on demand, 0.0065% of the amount or value; if payable otherwise than on demand, 0.5% of the amount or value).

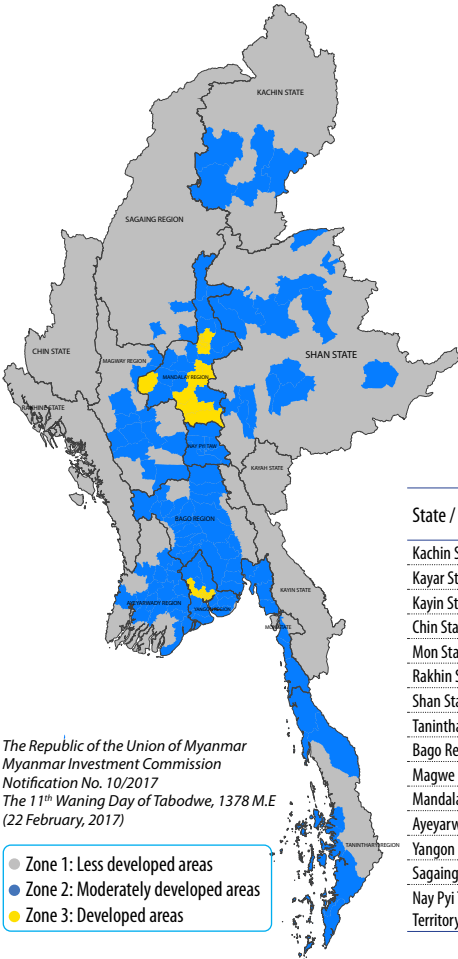
Transfer

Description of Instrument	Proper Stamp-duty
TRANSFER (whether with or without consideration):-	
a. of shares in an incorporated company or other body corporate;	0.1 Per centum on the value of share.
b. of debentures, being marketable securities, whether the debenture is liable to duty or not, except debentures provided for by section 8;	0.1 Per centum on the fix amount of the debentures.
c. of any interest secured by a bond, mortgage-deed or policy of insurance:-	

Selected Stamp Duty Schedules (cont.)

Description of Instrument	Proper Stamp-duty
i. if the duty on such bond, mortgage deed or policy does not exceed kyat 500;	The duty with which such bond, mortgage-deed or policy of insurance is chargeable.
ii. in any other case.	kyat 300
d. of any property under the Administrator General's Act, section 25;	kyat 300
e. of any trust -property without consideration from one trustee to another trustee or from a trustee to a beneficiary	300 kyat or such smaller amount as may be chargeable under clauses (a) to (c) of this Article
Exemptions	
Transfers by endorsement:-	
a. of a bill of exchange, cheque or promissory note; b. of a bill of lading, delivery order, warrant for goods, or other mercantile document of title to goods; c. of a policy of insurance; (d) of securities of the Government of the Union of Myanmar. See also section 8.	

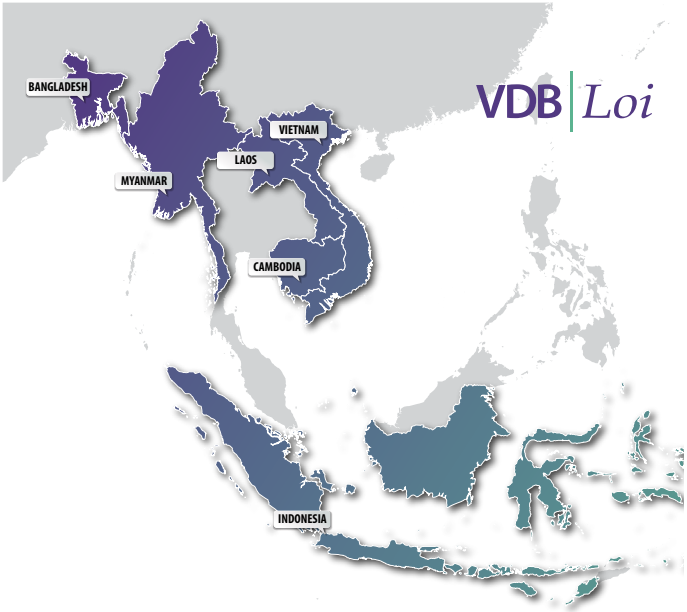
Classification of zones under Myanmar Investment Law



The Republic of the Union of Myanmar
 Myanmar Investment Commission
 Notification No. 10/2017
 The 11th Waning Day of Tabodwe, 1378 M.E.
 (22 February, 2017)

- Zone 1: Less developed areas
- Zone 2: Moderately developed areas
- Zone 3: Developed areas

State / Region	Zone 1	Zone 2	Zone 3
Kachin State	14	4	
Kayar State	7	3	
Kayin State	7	7	
Chin State	8		
Mon State	2	8	
Rakhin State	17		
Shan State	41	14	
Tanintharyi Region	4		
Bago Region	7	23	
Magwe Region	13	12	
Mandalay Region	2	13	14
Ayeyarwaddy Region	10	17	
Yangon Region		13	32
Sagaing Region	34	3	
Nay Pyi Taw Union Territory		8	



We are a network of leading law and tax advisory firms with offices in Bangladesh, Cambodia, Indonesia, Laos, Myanmar and Vietnam.

Our general areas of practice are corporate, finance and disputes.

Our principal specialized areas of practice are energy and infrastructure, real estate, telecom and taxation.

There are three things you need to know about our approach:

1. We deliver the ultimate in ground connectivity.
2. Our quality is trusted by the most discerning.
3. We never give up.

A large, ornate, golden pagoda with a red boat-like structure at the base, reflected in water at dusk. The pagoda is illuminated with warm lights, and the sky is a mix of blue and purple. The red structure has a curved, boat-like shape with a pointed prow. The pagoda has multiple tiers with intricate carvings and a green roof. The water in the foreground is calm, reflecting the lights and colors of the scene.

VDB | *Loi*

Get to the point.

<http://www.vdb-loi.com>