Republic of the Union of Myanmar Ministry of Finance Internal Revenue Department

The 5th IMF-Japan High-Level Tax Conference for Asian Countries

Tax Systems in Myanmar

Presented by
U John Sein Gi
Director

Myanmar Tax Structure

Taxes and Duties administered by IRD

Income Tax





Income Tax (Contd,)

mear

Income Tax Rates

No	Types of Taxpayer / Income	Tax Rate

Commercial Tax (continued)

Commercial Tax Rates

- Base on Commodities & Services

Commodities	Importation	Domestic production	Trading	Remarks
60 items	5 %	Exempt	5 %	Reduce rates
18 items	Exempt	Exempt	Exempt	
16 items		8 % to 100	%	Special
5 items			5 % to 50 % (For Export only)	Commodities
1 items			5 % (Import & domestic trading) Only government Sector	
Except above items		5 %		Standard Rates

The	commercial tax paid for the goodscontained in	n thisschedule
	not be credited.	

Commercial Tax(Continued)

All services have to pay commercial tax 5 %, except 26 kinds of services are followed-

Home Rental Service	Free Funeral Service
Car Parking Service	Freight Forwarding Service
Life Insurance Service	Child Care Center Service
Microfinance Service	Traditional Physiotherapist/Blind Message Service
Health Service	House Moving Service
Education Service	Tolls Collecting Services
Logistics Service	Veterinary & animal care service
Employment Agency Service	Public Sanitation facilities fees collection service
Banking Service	International Air Transportation of Passengers Service
Custom & Port Clearance Service	Culture and Arts service
Catering Service	Information and Technology
Butchering Service	Technology and management consultancy service
Cutting, Making and Packaging Service	Public Transport Service

Commercial Tax(Continued)

Threshold

Credit System

Stamp Duty

There are two categories of stamp duties, namely:

- Judicial stamp duties
 - Collected from sale of judicial stamps which represent fees payable under the Court Fee Act
- Non-judicial stamp duties
 - Similarly collected from the sales of revenue stamps are used in execution of negotiable instrument, commercial documents and deed under the Myanmar Stamp Act

State Lottery

- The State Lottery is the only official lottery operating in Myanmar since 1938.
- The draws are held monthly.
- 60% of the proceeds from the sale of lottery tickets is distributed (reimbursed) to winners in lottery prizes and remaining 40% goes to the government budget as lottery tax.

Tax incentives under Foreign Investment Law

- MIC may grant any or more than one or all of the remaining exemption or reliefs from taxes-
- (a) Income tax for a period extending to 5 consecutive years.
- (b) Income tax on profits that are reinvested within one year.
- (c) Right to deduct depreciation on machinery, equipment, building or other capital assets.
- (d) Up to 50 percent income tax relief for profits earned from exported products.
- (e) Right to pay income tax on the income of the foreigners at the same rates that applicable to citizens.
- (f) Right to deduct expenses from the assessable income incurred for research and development.

Tax incentives under Foreign Investment Law (Cont.)

- (g) right to carry forward losses incurred within two years following the expiry of the above mentioned five-year tax holiday, with the carry forward period lasting up to 3 years.
- (h) Customs duty relief for (1) imported machinery, equipment, and materials that are actually required for use during the period of construction; (2) raw materials imported for the first 3 years commercial production after the completion of construction (3) imported machinery, equipment and materials that are necessary for use in its expanded work if the amount of investment is increased and the original enterprise is extended.
- (i) Exemption or relief from commercial tax on the products to export.

Tax Treaties Network in Myanmar

Sr. No	Enforced	Signed	Under negotiation
1	United Kingdom (13-3-1950)	Indonesia (2-4-2003)	Kuwait
2	Vietnam (1-4-2004)	Bangladesh (7-10-2008)	Philippines
3	India (1-4-2009)		Brunei
4	Korea (1-4-2009)		
5	Malaysia (1-4-2009)		
6	Singapore (1-4-2010)		
7	Laos (1-4-2010)		
8	Thailand (1-4-2012)		

Tax Education Programmes in Myanmar

- Pamphlets are published to give awareness of knowledgeable taxation targeted to taxpayers and students
- The mottos on tax education are also hung up in tax office throughout the country
- Revenue journals are published and distributed once a month among taxpayers and public
- For middle and high school level students, taxpayers education talks are made in every July all over the country
- The subjects concerned with taxation are also in training courses for CPA part II students

Tax Education Programmes in Myanmar (Continued)

- Also sharing knowledge is for entrepreneurs in UMFCCI
- Tax Authorities visit to the Organizations and give tax education covering taxpayer's rights and duties
- Holding essay writing and cartoon drawing competition to middle and high school students
- Brilliant students are awarded by holding competition concerned with taxpayer knowledge
- As basic knowledge in education, the subject related to Income Tax calculation is prescribed as a certain section in the Mathematics Textbook of Seven Standard

Tax Education Programmes in Myanmar (Continued)

- Educate to the same business groups (hotels, restaurants, departmental stores, etc.)
- holding tax seminars to upgrade tax knowledge at Company Circle Tax Office

getting tax information

at Taxpayers Service Unit(TSU)

from IRD Website

(www.irdmyanmar.gov.mm)

Tax Administration Reform (Contd;)

Tax Administration Reform (Contd;)

Tax AdministrationReform (Contd;)

Thank you for your attention.