



Fiscal Regimes of Myanmar

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Outlines of Presentation

- Fiscal System of Myanmar
 - Budget System
 - Component of Union Budget
- The Role of State Economic Enterprises in Budget
- Fiscal Regimes and Oil and Gas revenue flows
- Some aspects on Oil and Gas revenue



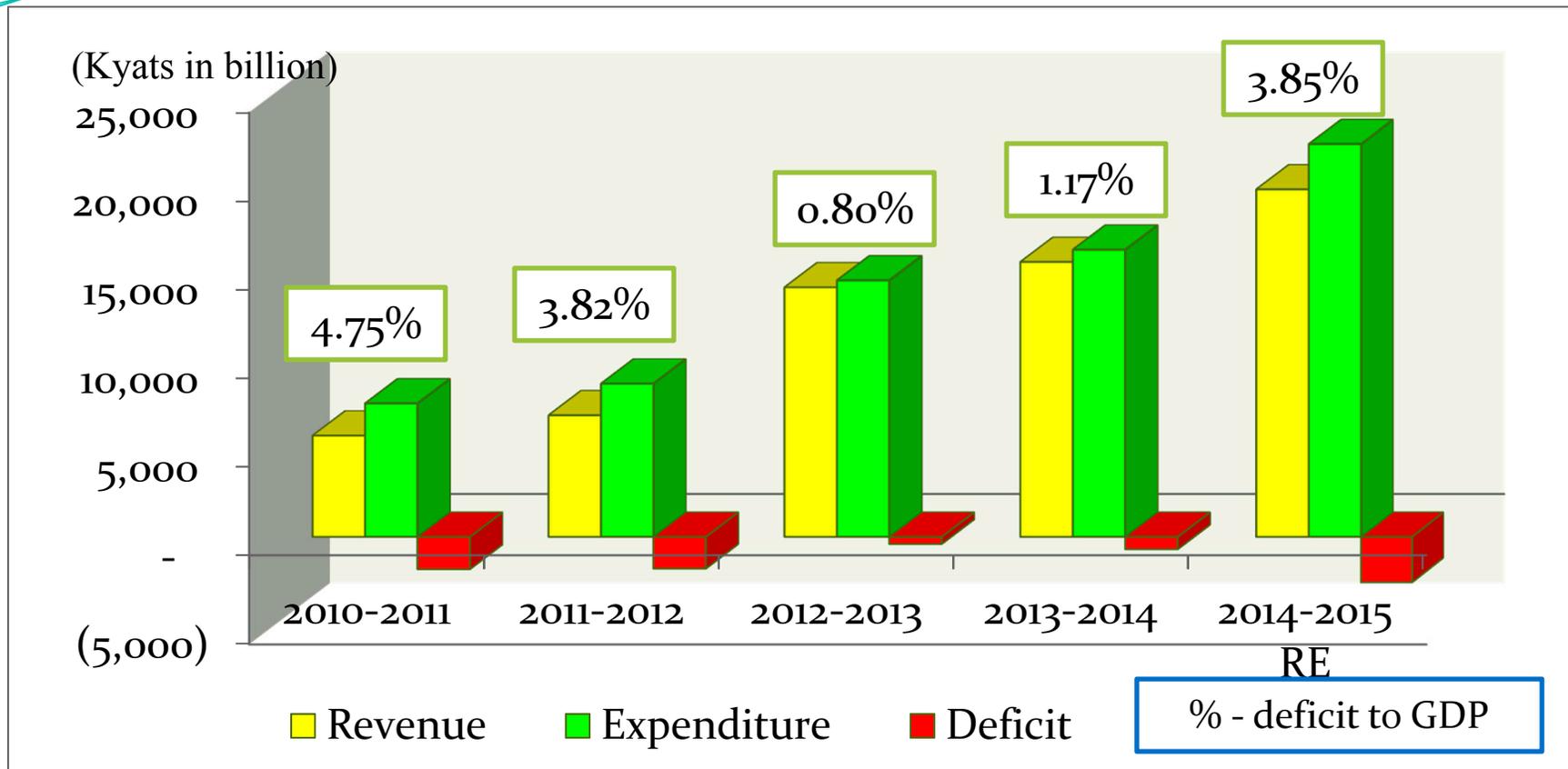
Fiscal system of Myanmar

- Nationalize Budget system before FY 2011-2012
- Fiscal Reforms after 2011
 - Establishment of parliament
 - Consequent establishment of public Account Committee in parliament
 - Separation of Union Budget and State/Region Budgets
 - Separation of Central Bank from MOF
 - Liberalization of Foreign Exchange market
 - Reforming process on State Economic Enterprises

Budget system of Myanmar

- All the revenue are contributed to the Union fund in line with the Table(1)of State Constitution and all the expenditures are borne by Union funds.
- All the taxes except Table (1) of the State Constitution are collected by the State and Region level Government.
- The Union government can distribute the suitable fund from Union Fund Account to Regions and States and provide the Funds to the State and region Fund as special case and also disburse the necessary loan to State and Region government.

Income & Expenditure Composition



Current & Capital Ratio

Fiscal Year	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Current : Capital	57:43	65:35	67:33	68:32	68:32



Component of Union Budget

- Revenue
 - Tax revenue
 - Non-tax revenue
- Expenditure
 - Current
 - Capital(Investment)
 - Financial



Tax Revenue

- Tax collected by Ministry Of Finance
 - Income tax ,Commercial tax, State Lottery, Sale proceeds of Stamp, Custom Duty
- Tax collected by Ministry of Agriculture
 - Water tax and Embankment tax
- Tax collected by Ministry of Home Affairs
 - Tax on Land , Excise duty
- Tax collected by Ministry Transports
 - Tax on Transport



Tax Revenue (cont.)

- Tax collected by Ministry Of Livestock Breeding and Fisheries
 - Tax on Fisheries
- Tax collected by Ministry of Environmental Conservation and Forest
 - Tax on Extraction of forest Produces, Tax on Rubber
- Tax collected by Ministry of Mines
 - Tax on Extraction of Minerals and Gems
- Tax collected by Ministry of Commerce
 - License fees on Imported Goods



Tax Revenue (cont.)

- Tax collected by Ministry of Energy
 - Tax on Extraction of Petroleum and Natural Gas
- Tax collected by Ministry of Information and Communication Technology
 - Tax levied on Communication Services
- Tax collected by Ministry of Electric Power
 - Tax levied on Extraction of Electricity



Non-Tax Revenue

- Receipts(Current, Capital)
- Incomes from State Economic Enterprises
- Contribution of State Economic Enterprises
- Others



Entity of National Budget

- Union Budget
 - Union Administrative Organizations
 - Ministries and Departments
 - State Economic Enterprises
 - Municipalities
- States/ Regions Budget
 - State / Region Administrative Organizations
 - State /Region Ministries and Departments
 - State/ Region State Economic Enterprises
 - Municipaities



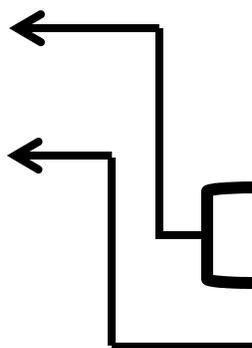
SEEs in Union Budget

- Established SEEs under Respective Government according to the State Constitution
- Execute the commercially motivated economic functions
- Stand on owned fund and budget
- (41) SEEs under (14) ministries and Central Bank of Myanmar
- pay Corporate Income tax and commercial tax
- State contribution

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- The Role of State Economic Enterprises in Budget

State Economic Enterprises composition in Government Budget

Particulars	% of Total Revenue (2013-14 RE)
Current Revenue	90.8
Tax Revenue	25.9
Contribution from SEEs	5.9
Current Revenue from SEEs	55.0
Others	4.0
Capital Revenue	2.1
Financial Revenue	7.1
Total Revenue	100



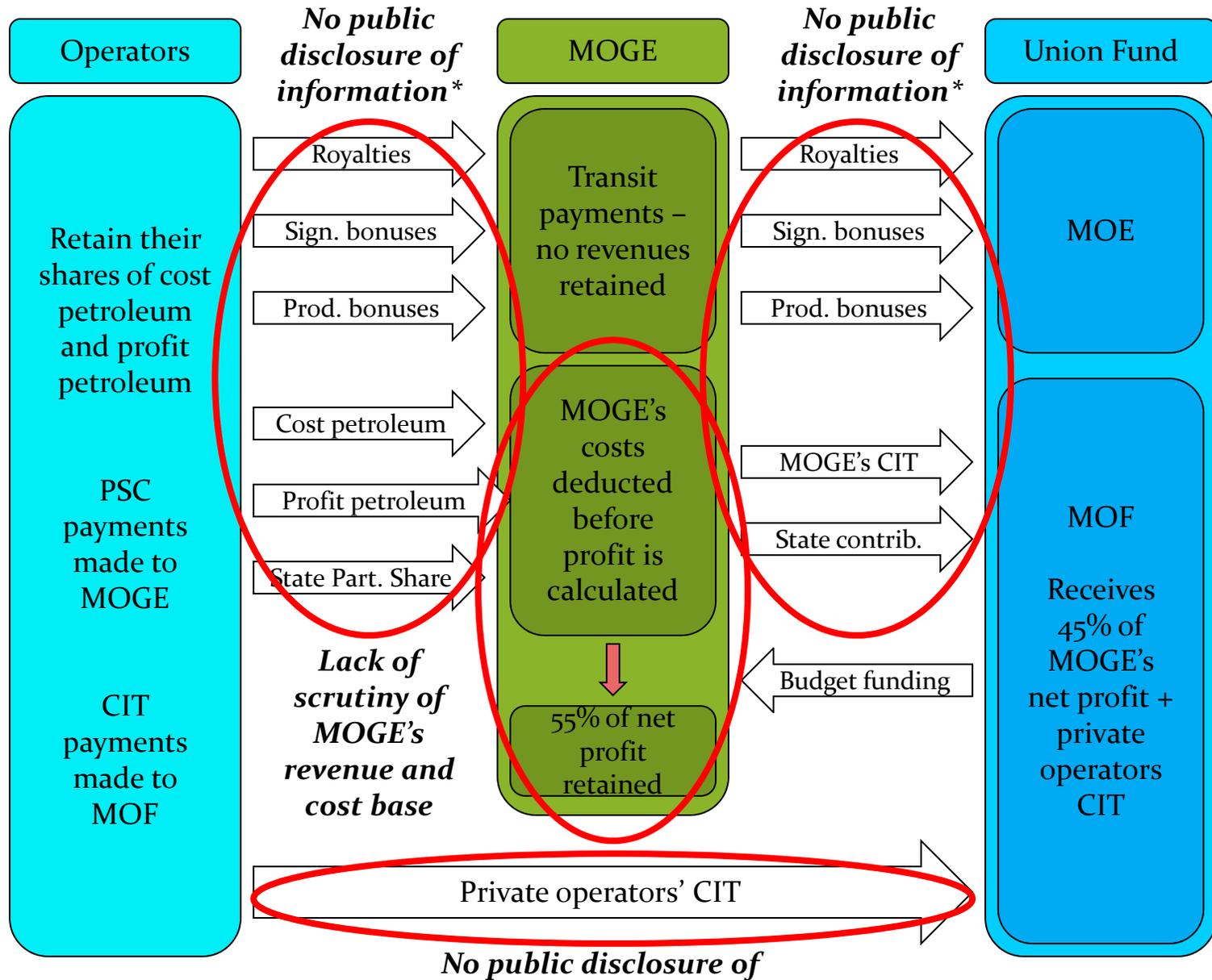
Particulars	% of Total Expenditure (2013-14 RE)
Current Expenditure	65.9
SAO+ M&D	19.6
SEEs	37.4
Operation Expenditure	
Commercial Tax	
Income Tax (25% of Profit)	
Contribution (20% of Profit)	
Interest Payment	4.2
Contribution	4.7
Capital Expenditure	29.5
SAO+M&D	20.2
SEEs	9.3
Financial Expenditure	4.6
Total Expenditure	100



Fiscal Regimes and Oil and Gas revenue flows

- Key figures
 - Concessional System dominate in both Oil and Gas sector and Mining
 - Royalty and tax with licensing
- Key Elements
 - Signature Bonus, Royalties, Commercial Tax, Production Bonus, Profit Petroleum, State participation, Corporate Income tax, Domestic Sale Obligation

Myanmar's revenue model





Some aspects on Oil and Gas revenue

- Capture the resource Rent
 - Direct transfer to the government and included in the budget process
- Transparency
 - Disclosure information (received amounts, payments, term and condition of PSCs, accounts)
- Governance
 - Divisions the responsibilities of MOGE and MOE

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- Thanks you very much