

**The Taxation of the Union Law, 2017**  
**(The Pyidaungsu Hluttaw Law No.4, 2017)**  
**The 1<sup>st</sup> Waning of Tabaung, 1378 M.E.**  
**(1<sup>st</sup> March, 2017)**

The Pyidaungsu Hluttaw hereby enacts this Law.

**Chapter I Title, Date of Enforcement and  
Definition**

1. (a) This Law shall be called **the Taxation of the Union Law, 2017.**
  - (b) The provisions in respect of the Specific Goods Tax in Chapter V and commercial tax in Chapter VI of this Law shall come into effect commencing from 1 April 2017 for 2017-2018 financial year;
  - (c) In respect of income tax in Chapter VII:
    - (i) the provision of the income from salary in section 19 and the provision of section 25 of this Law shall come into force with effect commencing from 1 April, 2017;
    - (ii) the other provisions shall come into force with effect commencing from 2017-2018 income year.
2. The following expressions contained in this Law shall have the meanings given hereunder:
- (a) Tax means the tax, *the custom tax, fee, licence fee, permit fee and penalty* collected by the Union Government for the Union *according to this law*;
  - (b) Law means the laws promulgated by the Union Government regarding collection of taxes for the Union;
  - (c) Relevant Ministry means the Union Ministries of the Union Government and Nay Pyi Daw Council responsible for the collection of taxes collected by the Union Government for the Union;

- (d) Budget Law means the Union Budget Law and the Supplementary Appropriation Law promulgated yearly;
- (e) Tax Rate means tax rates prescribed for the collection of taxes collected by the Union Government for the Union.

Unofficial Translatic

## **Chapter II Revenue Estimate for Collection**

3. The receipt of tax of the Union in the Union Budget Law is the estimate to collect tax shown in schedule (1) of this Law for the relevant financial year.

Unofficial Translation

### Chapter III Prescribing Tax Rates and Reporting

4. Regarding the types of taxes of this Law, the relevant Ministry shall collect the revenue estimate for collection by tax rates of this Law.
5. The Union Government shall, if desirous to amend, add or substitute the tax rates of this Law, submit to the Pyidaungsu Hluttaw for enabling to discuss and decide.
- 6.(a) The relevant Ministry shall send a quarterly report on the condition of collection of revenue estimate in schedule (1) of this Law to the Budget Department.
- (b) The Budget Department shall compile the lists of tax collection data sent by the relevant Ministries and submit a quarterly report with comments through the Ministry of Finance to the Union Government.
7. The Union Government shall submit a six-monthly report on the condition of collection of revenue estimate in schedule (1) of this Law to the Pyidaungsu Hluttaw.

## **Chapter IV Duty and Power of the Relevant Ministry**

8. The relevant Ministry shall take the responsibility of administering and supervising for collecting the estimate for tax in schedule (1) of this Law.
9. The Ministry of Finance of the Union Government may issue directives, if necessary, without changing the original meaning of the provisions, that enable people to know clearly, perform and comply with the provisions of the specific goods tax, commercial tax and income tax in this Law.
10. The relevant Ministry may seek assistance from the President of the Union, the Union Government, the Pyidaungsu Hluttaw, the Pyithu Hluttaw, the Amyothar Hluttaw, the Supreme Court of the Union, the Constitutional Tribunal of the Union, the Union Election Commission, the Attorney General of the Union, the Auditor General of the Union, and Union Civil Service Board, Nay Pyi Taw Council, Union Ministries, Central Bank of Myanmar, Region or State Government, Leading Bodies of Self-Administered Division or Leading Bodies of Self-Administered Zones in order to receive necessary information and aids for paying taxes by the tax payers in accordance with Law.

## Chapter V Specific Goods Tax

11. Under section 6 of the Specific Goods Tax Law, the schedules annexed to the said Law are prescribed as follows:

### Specific Goods

- (a) *In respect of the specific goods in the following schedule, the tax shall be charged at the specified tax rates shown against them;*
- (1) *if the goods are produced domestically that the tax shall be charged on the pricing tier, on the sale price mentioned by the factory, workshop or workplace, or the sale price estimated by the Director General and the Management Committee of the Internal Revenue Department based on the market price;*
  - (2) *if the goods are produced and sold domestically that are not identified charging with the pricing tier, the sale price identified by the Management Committee of the Internal Revenue Department;*
  - (3) *if imported, on the landed value;*

<b>Sr: No</b>	<b>Description of Goods</b>	<b>Price Level</b>	<b>Tax Rate</b>
1	(a) Various types of cigarette	up to sale price of 400 kyats for a pack of 20cigarette	4 kyats per cigarette
	(b)Various types of cigarette	Between the sale price of 401- 600 kyats for a pack of 20 cigarette	9 kyats per cigarette
<b>Sr: No</b>	<b>Description of Goods</b>	<b>Price Level</b>	<b>Tax Rate</b>
	(c) Various types of cigarette	Between the sale price of 601 -800 kyats for a pack of 20cigarette	13 kyats per cigarette
	(d) Various types of cigarette	the sale price of 801 kyats and above for a pack of 20 cigarette	16 kyats per cigarette
2	Tobacco.		60 %
3	Cured virginia tobacco.		60 %
4	(a) Cheroot.	up to sale price of 10	50 pyar per cheroot
	(b) Cheroot	11 kyats and above for	1 kyat per cheroot
5	Cigar.		80 %
6	Pipe tobaccos		80 %
7	Various types of betal chewing preparation.		80 %

8	(a) Various types of liquor	up to <i>750</i> kyats per litre	<i>91</i> kyats per litre
	(b) Various types of liquor	Between <i>751-1500</i>	<i>274</i> kyats per litre
	(c) Various types of liquor	Between <i>1501-2250</i>	<i>457</i> kyats per litre
	(d) Various types of liquor	Between <i>2251-3000</i>	<i>640</i> kyats per litre
	(e) Various types of liquor	Between <i>3001-3750</i>	<i>823</i> kyats per litre
	(f) Various types of liquor	Between <i>3751-4500</i>	<i>1006</i> kyats per litre
	(g) Various types of liquor	Between <i>4501-6000</i>	<i>1280</i> kyats per litre
	(h) Various types of liquor	Between 6001-7500	<i>1646 kyats per litre</i>
	(i) Various types of liquor	Between 7501-9000	<i>2011 kyats per litre</i>
	(j) Various types of liquor	Between 9001-10500	<i>2377 kyats per litre</i>
	(k) Various types of liquor	Between 10501-13500	<i>2925 kyats per litre</i>
	(l) Various types of liquor	Between 13501-16500	<i>3657 kyats per litre</i>
	(m) Various types of liquor	Between 16501-19500	<i>4388 kyats per litre</i>
	(n) Various types of liquor	Between 19501-22500	<i>5119 kyats per litre</i>
	(o) Various types of liquor	Between 22501-26000	<i>5911 kyats per litre</i>
	(p) Various types of liquor	26001 kyats and above per	<i>60 % of the</i>
9	Various types of beer.		60 %
10	(a) Various types of wine	up to <i>750</i> kyats per litre	<i>81</i> kyats per litre
	(b) Various types of wine	Between <i>751 -1500</i>	<i>244</i> kyats per litre
	(c) Various types of wine	Between <i>1501 -2250</i>	<i>406</i> kyats per litre
	(d) Various types of wine	Between <i>2251 -3000</i>	<i>569</i> kyats per litre



	(e) Various types of wine	Between 3001 -3750	732 kyats per litre
	(f) Various types of wine	Between 3751 -4500	894 kyats per litre
	(g) Various types of wine	Between 4501 -6000 kyats	1138 kyats per litre
	(h) Various types of wine	Between 6001 -7500	1463 kyats per litre
	(i) Various types of wine	Between 7501 -9000	1788 kyats per litre
	(j) Various types of wine	Between 9001 -10500	2113 kyats per litre
	(k) Various types of wine	Between 10501 -13500	2600 kyats per litre
	(l) Various types of wine	Between 13501 -16500	3250 kyats per litre
	(m) Various types of wine	Between 16501 -19500	3900 kyats per litre
	(n) Various types of wine	Between 19501 -22500	4550 kyats per litre
	(o) Various types of wine	Between 22501 -26000	5254 kyats per litre
	(p) Various types of wine	26001 kyats and above per	50 % of the
11	Hard wood logs, cut teak		5 %
12	Jade in uncut forms.		15 %
13	Ruby, sapphire, emerald, diamond and other precious gemstones in uncut forms.		10 %
14	Jade, ruby, sapphire, emerald, diamond and other precious gemstones, finished in cut forms		5 %
15	(a) Engine power from 1501 CC to 2000 CC vans, saloons, sedans, wagons, estate		20 %
	(b) Engine power from 2001 CC to 4000 CC		30 %
	(c) Engine power above 4001 CC vans, saloons,		50 %
16	Kerosene, petrol, diesel oil, jet fuel.		5 %
17	Natural gas.		8 %

- (b) A person exporting the following specific goods shall pay specific goods tax on the sale proceeds as the specified tax rates shown against them. Other than the mentioned specific goods, the specific goods tax assessed on the sale proceeds for the export of the remaining specific goods *shall not be charged*. The specific goods tax paid at the time of purchase, importation or production of the goods shall be set off from *the due specific goods tax* for the export *of the chargeable specific goods* according to the stipulations.

Sr. No	Types of Goods	Tax Rate
1	Natural gas.	8 %
2	<i>Hardwood logs, cut teak</i>	<i>10 %</i>
3	<i>Jade in uncut forms.</i>	<i>15 %</i>
4	Ruby, sapphire, emerald, diamond and other precious <i>gemstone</i> in uncut forms.	<i>10 %</i>
5	Jade, ruby, sapphire, emerald, diamond and other precious <i>gemstone, finished</i> in cut forms and <i>jade, ruby, sapphire, emerald, diamond and other precious gemstones fitted in jewelry.</i>	5 %

12. Out of the specific goods tax due under Specific Goods Tax Law, specific goods tax shall not be assessed on the production and sale of tobacco, cheroots and cigars in the country by cooperative sector and private sector if the total sale proceeds within a financial year do not exceed 20 million Kyats.

13. The meaning of expressions in Chapter V of this Law shall have the same meaning defined in the Specific Goods Tax Law.

12. **Chapter VI Commercial Tax**

13. 14. Under section 6 of the Commercial Tax Law, the schedules annexed to the said Law are prescribed as follows:

14. **Schedules of the Commercial Tax Law**

15. (a) No commercial tax shall be charged on any of the following goods:

<b>Sr.No</b>	<b>Description of Goods</b>
1	Paddy, rice, broken rice, rice bran, chaff, paddy husk.
2	<i>Wheat bran and wheat husk.</i>
3	Various types of maize, corn powder.
4	Various types of pulse, split, powdered pea, pea bran and pea shell.
5	Shelled and unshelled groundnut.
6	Sesame, flower sesame.
7	Mustard seeds, sunflower seeds, tamarind seeds, cotton seeds.
8	Oil palm.
9	Various types of cotton.
10	Jute and other fibres.
11	Garlic, onion.
12	Potato.
13	Tapioca, cassava.
14	Spicy leaf, fruit, seeds, barks , prepared spices.
15	Various fresh fruits.

16	Vegetables.
17	Sugarcane, sugar, jaggery, brown slab sugar.
18	Mulberry leaf.
19	Herb.
20	Agricultural land and gardening products such as peel, thatch, reeds, nipa palm, toddy palm, cardomon
21	Firewood, bamboo.
22	Live animals, fish and prawn.
23	Silk cocoon.
24	Finished and unfinished cane.
25	Honey and bee wax.
26	Lac.
27	Residual oil-cake of groundnut, sesame, cotton seed, rice bran etc.
28	Bleaching substance ( <i>only Hydrochlorite using in bleaching</i> ).
29	Coir yarn, coconut shell charcoal.
30	Various types of pickled or dried tea leaf.
31	Various types of stamp (including revenue stamp).
32	Sealing wax and sticks.
33	Slate, slate pencil and chalk.
34	Various types of fish sauce.
35	<i>Groundnut oil, sesame oil.</i>

36	Fresh fish, fresh prawn, fresh meat.
37	Various kinds of dried fish and dried prawns.
38	Various kinds of pickled fish and pickled prawn.
39	Powdered prawn, powdered fish.
40	<i>Milk, condensed milk, evaporated milk, various types of powered milk.</i>
41	<i>Soy milk.</i>
42	Chilli, chilli powder.
43	Turmeric, turmeric powder.
44	Ginger.
45	Various types of fish paste.
46	Ripe tamarind.
47	State flag.
48	Various types of rosary <i>(not including rosary made by precious gemstones).</i>
49	Various types of ruler, eraser, pencil sharpener.
50	Firewood substitute fuel stick.
51	Coconut oil (not palm oil).
52	Various types of eggs such as hen and duck eggs.
53	Pumpkin seed, watermelon seed, cashew nut.
54	Religious clothes (robe etc).
55	Oil dregs.

56	Various types of salt.
57	Rubber.
58	Betel nut.
59	Fertilizer.
60	Various kinds of insecticide, weed-killer <i>that used in agriculture and disinfectant.</i>
61	Farm equipment, farm machines and spare parts, <i>four wheel-drive tractors.</i>
62	Raw and finished materials for animal, fish and prawn feed.
63	Animal, fish and prawn medicines, <i>veterinary preventive medicines.</i>
64	Breeds for using in inseminating.
65	Solar panel, solar charger, controller and solar inverter.
66	<i>Self-imported or produced</i> X-ray film plates and X-ray material and other medicinal equipment to be
67	<i>Self-imported or produced</i> Bandages, gauze, surgical dressing materials, hospital outfit and hospital
68	Household pharmaceutical and other medicines <i>and traditional medicines (medicines stipulated by</i>
69	Raw medicine <i>including traditional medicines.</i>
70	Various kinds of textbooks, various kinds of educational and technical books to be used in college and university, various kinds of exercise and drawing books and paper sheets for the production of such books and all sorts of pencils.
71	Graphite for the production of pencils.
72	Condom.
73	Weapons, vehicles, machineries, accessory and equipment, spare parts and accessories thereof used by State Defense and Security Organizations.

74	Various kinds of gun powder, various kinds of dynamites and related substances used by civil departments.
75	Pure seeds and seedlings of crops.
76	Fire-engine, hearse.
77	Materials sold in foreign currency to overseas passengers at the specific places.
78	Goods to be used by diplomats and non-diplomat staff of foreign embassies or small embassies inclusive of reciprocal right policy between two countries.
79	Goods purchased for the use of armed forces and for the consumption of armed forces personnel incurred from the expenditure allotted in the budget accounts for the Ministry of Defense.
80	Raw materials or goods to be used directly as parts of goods provided by foreign resident supplier to use for production of finished goods on a CMP (cut the fabric, make garments, Trim/Pack the garments) basis
81	Fuel sold by the Ministry of <i>Electricity and Energy</i> to foreign embassies, UN organizations and foreign diplomats.
82	Goods purchased with the donation or funds provided by domestic and foreign organizations to the State.
83	Jet fuel sold to be used for planes flying abroad.
84	Machine, machinery and equipment and the spare parts of planes or helicopters.
85	Goods exempted by the Pyidaungsu Hluttaw as per the needs of the State.
86	<i>Goods imported by temporary admission or drawback system in accordance with the Custom's procedures.</i>
87	<i>In uncut forms and finished in cut forms of jade, ruby, sapphire selling at the Myanmar's Gems and Jewelry supervised by the Government in country.</i>

- (b) Other than the goods mentioned in subsection (a), the commercial tax shall be charged at 5 per cent on the sale proceeds if the goods are produced and sold in the country or on the landed costs if the goods are imported. If any specific goods in section 11 of this Law is produced and sold in the country, the commercial tax shall be charged at 5 per cent on the sale proceeds including specific goods tax or on the landed costs including specific goods tax if the goods are imported.
- (c) Whoever shall, other than the goods and activities of trade exempted in accord with this Law, pay the commercial tax at 5 per cent on the sale proceeds for carrying out the following activities including the specific goods in section 11:
- (ii) importing goods and reselling in the country;
  - (ii) trading.
- (d) No commercial tax shall be charged on the following services.

Sr. No	Types of Service
1	Renting of parking space service.
2	Life insurance service.
3	Microfinance service.
4	Healthcare service except body fitness.
5	Education service.
6	Transportation of goods service (Transportation by <i>train</i> , motor vehicles, vessels, airplanes and
7	Capital market service.
8	<i>Monetary service providing with the permission of the Bank and Central Bank.</i>
9	Customs and port clearance service.
10	Hiring of equipment used in catering service.
11	Providing raw materials in return for finished goods system service.



12	Funeral service.
13	Childcare service.
14	Traditional massage service/ <i>Blind massage service.</i>
15	Moving household service.
16	Collecting toll service.
17	Animal healthcare and welfare service.
18	Collecting fees at public toilet service.
19	International passenger air transport service.
20	Culture and fine art service.
21	<i>Public transportation service other than the domestic airline service.</i>
22	Licence fees to be paid to State organizations <i>for carrying out the matters to get the permission.</i>
23	Printing service by the security printing of the Ministry of Defense.
24	Services acquired by diplomats and non-diplomat staff of foreign embassies or small embassies
25	Service acquired with the donation or funds provided by domestic and foreign organizations to the
26	Services exempted by the Pyidaungsu Hluttaw as per the needs of the State.
27	Services provided each other by the organization such as the President's Office, the Union
28	<i>State Lottery service.</i>
29	<i>Mechanized agriculture service.</i>

- (e) The commercial tax shall be charged at 5 per cent on the receipt of the remaining services provided in the country other than the services contained in subsection (d).
- (f) The commercial tax shall be charged at 3 per cent on the receipt of transportation fee from domestic airline service.
- (g) The commercial tax shall be charged at 3 per cent on the sales proceeds of the building built and sold in the country. A person who builds and sells the building shall comply with the duty and liability and enjoy all rights mentioned in the Commercial Tax Law and the Commercial Tax Regulations.
- (h) *The commercial tax shall be charged at 1 per cent on the sale proceeds of the jewelry made by gold.*

15. (a) *For the matters of Commercial Tax relating to the services providing with the donation, grant and loans of domestic and foreign organization, the Ministry of Planning and Finance may, with the approval of Union Government, exempt or release the commercial tax. No commercial tax shall be assessed unless the sale proceeds or receipts from service exceeds the following amounts for the cooperative sector and private sector under the Commercial Tax Law:*

- (b) No commercial tax shall be assessed unless the sale proceeds or receipts from service exceeds the following amounts for the cooperative sector and private sector under the Commercial Tax Law:
  - (i) the total sale proceeds of Kyats 50 million in a financial year for the domestic production and sale of goods chargeable to commercial tax;
  - (ii) the total receipt from service of Kyats 50 million in a financial year for carrying out the services chargeable to commercial tax;
  - (iii) the total sale proceeds of Kyats 50 million in a financial year for carrying out trading.
  - (iv) *Custom Department's Deminimis Value Threshold which can exempt the goods that, in accordance with the norms of the Custom's procedures, conveyed and took out in urgent.*

16. Any person shall, if he receives foreign currency from producing and selling any type of goods chargeable to commercial tax, carrying out any service chargeable to commercial tax and carrying out trading under this Law, pay the commercial tax in Kyats on such sale proceeds or receipt from service in foreign currency in accordance with the Commercial Tax Regulations calculated at the relevant rates as shown in this Law.

17. (a) The commercial tax shall be charged at eight per cent on the exported electricity and five per cent on crude oil.
- (b) The commercial tax shall be charged at zero per cent on the sale proceeds for the export of the remaining goods other than the goods contained in subsection (a). The commercial tax paid while purchasing or producing the goods may be set off from the commercial tax for the export in accordance with the regulations. Notwithstanding anything contained in the commercial tax regulations, if the due commercial tax paid for the export is less than the commercial tax paid while purchasing or producing the goods, a refund may be demanded. However, it shall not apply to the goods that are bought in the country and brought overseas for his own use.
- (c) The provision of this section shall not apply to the determination of the amount of sale proceeds or receipt from service which is not taxable.

18. The meaning of expressions in chapter VI of this Law shall be the same meaning defined in the Commercial Tax Law.

## Chapter VII Income Tax

19. (a) No income tax shall be levied on any person who receives the income from salary up to Kyats 48 lakh per year. *Being not assessed above the matter, if the taxpayer request the evidence document relating the exempted income, the internal revenue department should give this evidence in accordance with the stipulations.*
- (b) *However, if any person who receive income from salary per year exceeds Kyats 48 lakh, the income tax is assessed on his total income.*
- (c) However, if income from salary per year exceeds Kyats 48 lakh or the income is from professional business, enterprise and other sources, the tax rate to be levied according to the income bracket on the remaining income, after setting off it with the reliefs under section 6 of Income Tax Law from the total income, are prescribed to any person as follows:

20

Sr.No	Income Bracket to be Levied		Income Tax Rates to be Levied
	From	To	
	Kyat	Kyat	
i.	1	2,000,000	0 per cent
ii.	2,000,001	5,000,000	5 per cent
iii.	5,000,001	10,000,000	10 per cent
iv.	10,000,001	20,000,000	15 per cent
v.	20,000,001	30,000,000	20 per cent
vi.	30,000,001 and above		25 per cent

- (d) Notwithstanding any provisions contained in the Income Tax Law, the income tax shall be levied separately at ten per cent on the total rental income of any person received from leasing land, building and apartments after deducting reliefs under section 6 of the Income Tax Law. The tax shall not be levied again in combination with other income. In the case of state - owned enterprises and businesses, companies and cooperative societies operating with the permission of Myanmar Investment Commission, the income tax shall be levied at the specific tax rates prescribed according to the types of taxpayers.
- (e) The income tax rates in this section shall not apply to the taxpayers for whom specific income tax rates are prescribed for any person receiving income or any type of income.

20. The basic relief permitted under clauses (i) and (ii) of subsection (a) of section 6 of the Income Tax Law shall be an amount equivalent to 20 per cent of the income for each type of income. Provided that, the total basic relief for a year shall not exceed Kyats 10 million.

21. The reliefs for parents who stay together is added to clause (ii) of subsection (a) of section 6 of the Income Tax Law, the following reliefs shall be deducted from the total income of the individual in clause (ii) of subsection (c) of section 6 of the Income Tax Law and the tax shall be levied on the remaining amount of income:

- |     |                                 |                   |
|-----|---------------------------------|-------------------|
| (a) | for a parent who stays together | Kyat 1000000 each |
| (b) | for a spouse only               | Kyat 1000000      |
| (c) | for a child                     | Kyat 500000 each  |

22. The income tax shall be levied at 10 per cent on the total income earned abroad in foreign currency other than the exempted income heading of non-resident citizens before deducting the relief under section 6 and section 6-A of the Income Tax Law.

23. (a) The income tax shall be levied at 25 per cent on the total net income before deducting the relief under section 6 of the income tax law *concerning the following types of taxpayers:*

- (1) the company that is registered and established in Myanmar under the Myanmar Companies Act or the 1950 Special Companies Act;
- (2) in the case of other income other than the income under the salary of the non-resident foreigner;
- (3) the business that is operated under a permit issued by the Myanmar Investment Commission;
- (4) state-owned economic organizations.

(b) The income tax shall be levied at 25 per cent on the remaining income after deducting relief under section 6 of the Income Tax Law from the net profit of cooperative societies other than the basic cooperative society.

24. If a foreigner is non-resident, the reliefs under section 6 and 6-A of the Income Tax Law shall not be deducted. In the case of income under the salary heading, income tax shall be levied on his total income at the tax rates under subsection (c) of section 19 of this Law.

25. The income tax shall be levied at 30 per cent on undisclosed income before deducting reliefs under section 6 and 6-A of the Income Tax Law. Provided that, the income tax shall be levied according to the following tax rates on the remaining

undisclosed income if any citizen can show the source of income expended in buying, constructing and acquiring any assets, and establishing the new start-up or expanding the business and on the income expended if he is unable to show the source of income, the income tax shall be charged. No income tax shall be levied if the source of income is unable to show for all the income used. The levy under this section shall not apply to the possession or trade of properties obtained illegally or matters in which action is taken under the Anti-Money Laundering Law.

No	Income (kyat)	Income Tax Rate
a	1 - 300,00,000	15 %
b	300,00,001 - 1000,00,000	20 %
c	1000,00,001 and above	30 %

26. The income tax shall be levied at the rates in section 19 (c) on the remaining income after deducting reliefs under section 6 of Income Tax Law from the net profit of the basic cooperative societies registered and formed under the Cooperative Society Law.

27. If a capital gains from selling, exchanging or transferring by any other means of one or more assets, on the capital gains in kyats or foreign currency before deducting reliefs under section 6 and 6-A of the Income Tax Law:

(a) the income tax shall be levied in the type of currency earned according to the tax rates shown against the capital gains specified as follows, if the company is operating in Myanmar's oil and gas sector,

**Capital gains**

**Income tax rate to be paid**

- |     |  |     |
|-----|--|-----|
| (1) | up to equivalent Kyats million (100,000)             | 40% |
| (2) | from equivalent Kyats million (100,001) to (150,000) | 45% |
| (3) | Kyats million (150,001) and above                    | 50% |

(b) the income tax shall be levied at 10 per cent in kyats or foreign currency on the capital gains of an individual person or an association of persons other than the companies operating in Myanmar's oil and gas sector.

The tax shall be paid in the type of currency earned if he is a nonresident foreigner.

28. No income tax shall be levied even though the capital gains arise from asset if the total value of one or more capital assets sold, exchanged or transferred by any other means within a year does not exceed Kyats 10 million.

29. The exemption of income tax shall be allowed to the extent of *the net profit* Kyats 10 million *within a year* for three consecutive years including the year of commencement of this business for new start-up small and medium

enterprises. If the income exceeds the aforesaid amount, the income tax shall be levied on the excess amount.

30. The income tax is to be calculated in accord with the provision in section 8 of the Income Tax Regulations if the income from other income heading other than the capital gains from assets is earned in a foreign currency and income tax shall be levied in Kyats on citizens and foreigners residing in the country, and shall be levied in the type of currency earned on foreigners residing abroad.

31. (a) The income tax is exempted on any of the following incomes or types of income:

- (1) total income of up to Kyats 10 million received from cash award programme whether once or repeatedly lump sum during the income year on seizures under the Narcotic Drugs and Psychotropic Substances Law;
- (2) total income of up to Kyats 10 million received from cash award programme whether once or repeatedly lump sum during the income year on seizures of illegal properties;
- (3) rewards received together with title, honorary and medal conferred by the State;
- (4) income from salary heading earned in foreign currency of a citizen residing abroad;
- (5) lottery rewards received from Aung-bar-lay State lottery.
- (6) pension and gratuity received when civil servant retires;

(b) *The Ministry of Planning and Finance may exempt or relieve the following matters with the approval of the Union Government:*

- (1) the income tax matters relating to the businesses operated with the donation or funds provided by domestic and foreign organizations to the State;*
- (2) the income tax matters relating to the cooperate companies enrolled in Yangon Stock Exchange for development of the stock share market.*

32. The meaning of the expressions in chapter VII of this Law shall have the same meaning defined in the Income Tax Law.



## Chapter VIII Other Types of Taxes Rates to be Collected

33. The relevant Ministries shall administer the tax rates, exemption and relief of any of the following Taxes in accordance with the existing law:

- (a) excise tax;
- (b) licence and *permit fees* for imports;
- (c) Myanmar Aung-bar-lay lottery;
- (d) Fees for vehicle, driving licence and business licence;
- (e) stamp duty;
- (f) Tax for inserting nucleus in the oyster ;
- (g) customs duty;
- (h) land revenue;
- (i) water tax;  
embankment tax;
- (k) tax on production of forest materials;
- (l) tax on production of minerals (excluding minerals for raw industrial materials and decorative stones);
- (m) tax on fisheries;
- (n) tax on production of oil and natural gas;
- (o) tax on minerals and gemstones;
- (p) tax on communication services;
- (q) Electricity charges received in term of free on the electricity of water resource;

- (r) Licence fees for tour licence/ hotel and guesthouse licence/ transportation licence/ tour guide business licence.

34. The business on extraction of the jade, ruby, sapphire, emerald, diamond and other precious gemstones in uncut form and production and trading of finished gemstones and jewellery shall:

- (a) on the sale proceeds of the gemstones or jewelry in kyats or foreign currency;
  - (i) pay the specific goods tax according to tax rates contained in section 11 of this law;
  - (ii) pay commercial tax at 5 per cent for the import, production and sale and trading according to subsection (b) and (c) of section 14 of this Law;
  - (iii) not apply to the determination of the amount of sale proceeds which is not taxable of the provision of clause (2).
- (b) pay the income tax according to the income tax rate under this Law on total net profit earned within a year.

## Chapter IX Miscellaneous

35. The Union Government may, by notification, form supporting teams for tax collection if necessary.
36. The Union Government shall, without contrary to the international agreement signed by the State, in order to sell the goods produced in the state and the goods imported competitively in the market, and develop long-term benefit of the domestic agriculture and livestock business that mainly based on the domestic production business and the current domestic and foreign investment, carry out the following:
- (a) carrying out to obtain the highest rights and reliefs as the countries in ASEAN within the framework of the World Trade Organization and ASEAN Free Trade Agreement with regard to the permitted amount of import and the customs duty rates;
  - (b) carrying out the necessary arrangement in accordance with the provisions of the Customs Law and procedures on the permission of import, export and quota allocation.
37. (a) the internal revenue department shall educate related to tax, organize and give awareness to the public related to tax reliefs and exemptions that may be enjoyed in accord with law, calculate in collecting tax in accord with the relief, recognize and reward the dutiful taxpayers for paying the tax and the *responsible revenue civil servants*;
- (b) *the Ministry of Planning and Finance may permit with the approval of the Union Government as the revenue budget of the internal revenue department in Union Budget Law in accordance with the financial stipulations operating the matters contained in above subsection (a) for taking the tax reform process effectively;*
  - (c) *the Ministry of Planning and Finance may, in accordance with the financial procedures, use the budget contained in sub-section (b) to award the responsible civil servants in collecting the tax.*
- (d) 38. **20 %** of the collection of the fine passed for the possession and ownership of the untaxed specific goods under subsection (c) of section 22 of Specific Goods Tax Law shall be awarded to the informer and **30 %** of the collection of the fine shall be awarded to the search and seizure team. The particulars about the informer shall not be disclosed other than the matter of the Government.

I hereby sign under the Constitution of the Republic of the Union of Myanmar.

Sd/Htin Kyaw President Republic of the Union of  
Myanmar

Unofficial Translation

## Schedule(1)

**2017-2018 Financial Year****Taxes of the Union Originally Budget Earmarked for Collection**

<b>Serial No.</b>	<b>Responsible Ministries of the Union Government</b>	<b>Description</b>	<b>2017-2018 Estimate (In Million Kyats)</b>
1		<b>Taxes collected on local production and consumption</b>	<b>2,712,666.884</b>
1	Ministry of Home Affairs	Excise duty (Tax)	940.311
2	Ministry of Planning and Finance	Commercial tax	<b>1,752,443.232</b>
3	Ministry of Commerce	Import licence, <i>permirt fees</i>	<b>5,000.000</b>
4	Ministry of Planning and Finance	State lottery	<b>47,356.258</b>
5	Ministry of Transport and Communications	Fees for vehicle, driving licence and business licence	<b>170,580.000</b>
6	Ministry of Planning and Finance	Stamp duty	<b>47,689.312</b>
7	Ministry of <i>Natural Resources and Environmental Conservation</i>	Tax for inserting a nucleus in the oyster	<b>640.000</b>
8	Ministry of Hotel and Tourism	Licence fee for tour licence/ hotel and guesthouse licence/ transportation licence/ tour guide business licence	<b>717.840</b>
9	Ministry of Planning and Finance	Specific Goods Tax	<b>687,299.931</b>

2			<b>Tax on income and ownership</b>	<b>2,382,000.000</b>
	1	Ministry of Planning and Finance	Income tax	<b>2,382,000.000</b>
3			<b>Customs duty</b>	<b>490,000.000</b>
	1	Ministry of Planning and Finance	Customs duty	<b>490,000.000</b>
4			<b>Taxes collected on the extraction and consumption of State-owned resources</b>	<b>896,342.006</b>
	1	Ministry of Home Affairs	Taxes collected on land	1.485
	2	Nay Pyi Taw Council	Water tax	<b>95.118</b>
	3	Ministry of Home Affairs	Embankment tax	0.025
	4	<i>Ministry of Natural Resources and Environmental Conservation</i>	Tax collected on the extraction of forest materials	<b>2,296.775</b>
	5	Ministry of Home Affairs	Tax collected on the extraction of mineral materials (excluding minerals for raw industrial materials and decorative stones)	3.855
	6	Ministry of Livestock , Fisheries and Rural Development	Tax on fisheries	<b>1,503.800</b>
	7	<i>Ministry of Electricity and Energy</i>	Tax collected on the production of oil and natural gas	<b>278,623.086</b>
	8	<i>Ministry of Natural Resources and Environmental Conservation</i>	Tax on Minerals and Gemstones	<b>27,143.542</b>
	9	<i>Ministry of Transport and Communications</i>	Tax collected on communication services	<b>576,248.000</b>

10	<i>Ministry of Electricity and Energy</i>	Electricity charges received in term	<i>10,426.320</i>
		<b>Total</b>	<i>6,481,008.890</i>

Unofficial Translation