

STAMP DUTY



**UPDATE ON
NEW DEVELOPMENTS
AND PLANNING FOR
BANKING AND
FINANCE**

9.00 am to 12:00 pm, 11 March 2016
Venue: To be advised

STAMP DUTY UPDATE: NEW DEVELOPMENTS AND PLANNING FOR BANKING AND FINANCE

Date: 11 March 2016 | Time: 9.00am - 12.00pm | Venue: TBA

A new internal circular of the Internal Revenue Department dated 30 November 2015 (“the Circular”) raises questions about a possible 1.5% duty impost on a wide range of financing and security documents such as loans, term loans, guarantees and mortgages.

The Circular puts into question the existing prevailing practice of paying only small nominal amounts on certain loan instruments, and receiving assessments of 150,000 MMK for others. Instead, is it the IRD’s view that now 1.5% on the loan amount will apply in all cases?

VDBLoi’s Edwin Vanderbruggen, Jean Loi and U Myo Win take an in-depth look at the stamp duty questions in connection with loans, facility agreements, guarantees, mortgages, pledges, assignments and other banking documents. Which duty rates are the offices accepting now in practice? Edwin also presents his interpretation of the Stamp Act and his policy proposal on the subject, which permits lenders and borrowers to use reasonable stamp rates while staying within the existing law.

Highlights:

- The new IRD Circular dated 30 November 2015: which loans, mortgages and pledges are now stamped at 1.5%?
- What is the new IRD position for guarantee agreements?
- What has been the practice to date for loan agreements by IRD and township offices?
- Which instruments are outside the scope of the new Circular?
- How can a mortgage or an assignment of immovable property be stamped without triggering high duties?
- Special situations: convertible loans, loans in the context of joint ventures, options, facilities
- Is stamp duty due again in case of an additional financing or an additional lender?
- How should you draft your instruments to avoid unnecessary high stamp duties?



Jean Loi
Managing Partner

Jean Loi is widely recognized as one of the regions most experienced professional advisors with a CPA background. She was formerly a partner with PricewaterhouseCoopers in Southeast Asia. As the managing partner of VDB Loi, Jean has extensive experience with licensing, energy, power, property and consumer product projects. Her Myanmar tax experience is unsurpassed. She lives in Yangon.



Edwin Vanderbruggen
Senior Partner

Edwin’s practical and highly engaged approach makes him uniquely suited to advise lenders on financing deals in Myanmar, whether they are commercial banks, development financial institutions or non-bank financial institutions. He and his team advise global and Asian-focused Development Financial Institutions on financing transactions, as well as large commercial banks, and corporate borrowers. Edwin’s strongest point is probably his deep understanding of what really works locally in terms of onshore security, financing structure and CP’s to a deal. He lives in Yangon.



Myo Win
Legal Associate

U Myo Win is a Myanmar national who has completed two Masters degrees in Law in France. He has worked in law offices in France and Myanmar and so his in depth knowledge spans sectors across both Myanmar and International law. He has a keen eye for detail, proven through his thorough research in previous roles and is a highly proficient risk analyst. He has a special interest in human rights and administrative law.

PROGRAM

Time	Stamp Duty Update: New developments and planning for banking and finance
8:30 am	Registration, coffee and croissants
9:00 am	<p>The new Circular of 30 November 2015 and the Stamp Act's key issues</p> <ul style="list-style-type: none">• What has been the practice to date for loan agreements by IRD and township offices?• The new IRD Circular dated 30 November 2015: which loans, mortgages and pledges are now stamped at 1.5%?• What is the new IRD position for guarantee agreements?• Which instruments are outside the scope of the new Circular?• Additional financing, additional security• Documents executed abroad• Several documents which are part of one transaction
10:00 am	<p>Case studies: Planning and optimizing stamp duty on various instruments</p> <ul style="list-style-type: none">• Mortgages and assignment of immovable property: How should you draft your instruments to avoid unnecessary high stamp duties?• Share pledges, charges• Loan agreements, facility agreements• Guarantee agreements• Fee letters• Convertible loans, loans in the context of joint ventures, options on shares• Trustee agreements• Joint venture contracts• Assignment of account
11:30 am	Q&A and closing

REGISTRATION

This seminar will be offered in English. The seminar will be held in the morning from 9.00am - 12.00pm.

Registration fee is **100,000 MMK per person** (includes Commercial Tax). Reduced to 50,000 for each additional person. Fees are payable at our office (*Level 8, Centrepoint Towers, No. 65 Sule Pagoda Road & Merchant Street, Kyauktada Township*) at the latest by **8 March 2016**. Seats are limited. We regret that invitations are not transferable. Venue confirmation will be sent at a later date.

To reserve a seat or request an invitation for a colleague, contact Mar Lar Thin at marlar.thin@vdb-loi.com or on +95 9250364580

OVERVIEW OF VDB LOI EXPERIENCE IN THE TAX SECTOR

HIGHLIGHTS

- Two partners resident in Myanmar, both with strong, big-firm tax backgrounds
- Assisted on the tax structuring of some of the most complex projects in Myanmar, including for a global leader in oilfield services with layers of subcontractors, of the manufacturing and distribution of alcoholic beverages for one of the world's leading European beer brands, of the acquisition of a cigarette manufacturer for a Fortune 500 company, and of Myanmar PSCs for three oil and gas supermajors
- Providing technical assistance to the Internal Revenue Department and the Customs Department
- Untypically for a law firm, our scope of services includes tax compliance
- Our affiliate, VDB Loi Accounting Ltd provides accounting services to multinational clients in Myanmar

The firm is renowned for its superior tax knowledge in Myanmar. Few firms are able to field a highly experienced tax advisory team in Myanmar, let alone with an engaged resident tax partner. At VDB Loi, both resident partners have strong backgrounds as highly accomplished tax specialists with global firms, which is a unique proposition. The firm provides technical assistance to tax and customs authorities in Myanmar and throughout the region.

Our clients often choose to work with us because we are able to offer specialized tax structuring advice as well as legal services. Everybody can give you general tax information, or the theory, but we focus on the reality of the tax assessments. What profit margins will the tax authorities expect? How will they determine which service fee is acceptable for a tax deduction? How do the officials apply the tax exemption rules in practice?

CORPORATE TAX

Corporate taxation in Myanmar can be a complex and dynamic situation as both legal theory and the practice of the authorities must be taken into account. VDB Loi is uniquely placed to advise on corporate taxation through our strong local relationships, experienced local tax professionals and international expertise. Clients often seek out our partners for their ability to find a solution rather than to describe what the rules say or what cannot be done.

CUSTOMS DUTIES ADVISORY

In close cooperation with our international trade team, we are often asked by clients to secure import tax exemptions, advice on customs duty tariffs and valuation, and to assist in resolving disputes with the Customs Department.

TAX COMPLIANCE

In seamless cooperation with VDB Loi Accounting Ltd, our team is often asked by multinational clients to prepare and lodge a full range of tax returns including Corporate Income Tax, Commercial Tax, taxes on salaries, withholding tax and capital gains.

TAX DUE DILIGENCE

Clients seek assistance from our team of tax advisers, accountants and lawyers in connection with transactions. We are well placed to offer an integrated solution to clients, saving precious time and resources. We have extensive experience in carrying out due diligence assignments on targets for acquisitions.

CONTROVERSY

Our tax professionals are frequently asked to assist in tax audits or disputes with tax authorities. Our team is often recommended for its pragmatic approach and its ability to deliver results. Our accounting professionals bring analytical skill to tax audits, while our tax lawyers will drive any litigation.



VDB Loi is a network of leading law and advisory member firms and affiliated companies with offices in Cambodia, Indonesia, Laos, Myanmar and Vietnam, and representatives in Singapore and Tokyo.

With over 40 lawyers and advisers in Yangon and NayPyiTaw, we are "highly visible in the Myanmar market" (IFLR). We advise "an impressive range of leading corporations" (Legal 500) such as IPPs, telecom operators, oil and gas supermajors, international financial institutions and commercial banks, as well as the Myanmar and several foreign Governments. We are known to be "very creative and innovative" (Chambers) and for our "very good commercial understanding of Myanmar" (Chambers).

Our core practice areas are investment and corporate M&A, financing, labour, tax and regulatory matters. Our specialty sectors include TMT, power & infrastructure, real estate, consumer and resources.

OUR OFFICES IN MYANMAR



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