

VDB | *Loi*

**MYANMAR**  
**TAX BOOKLET**  
**2019**

Get to the point.

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## 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            |
| MOPF | Ministry of Planning and Finance         |
| 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 the income year in Myanmar

On 28 May 2019, the Internal Revenue Department (“**IRD**”) of the Ministry of Planning and Finance (“**MOPF**”) announced a change to the income year (formerly from 1 April to 31 March) of private and cooperative sectors (“**taxpayers**”) to 1 October to 30 September, effective from 1 October 2019. As a result, the taxpayers will have a six-month period from 1 April 2019 to 30 September 2019 (“**FY2019**” or “**Transition Period**”) as one income year. This change is to be in line with the change of the financial year for government ministries, organizations, and state-owned enterprises, which was implemented back in 2018 with the enactment of the 2018 Union Tax Law. We understand that the relevant annual tax returns filing deadlines for taxpayers should be according to what is summarized in the table below.

| Income Year  | Deadlines for annual tax returns filing | Assessment Year                                      |
|--|---|--|
| 1 April 2018 to 31 March 2019<br>(FY2018-2019)       | 1 July 2019                             | 1 April 2019 to 30 September 2019<br>(FY2019)        |
| 1 April 2019 to 30 September 2019<br>(FY2019)        | 2 January 2020                          | 1 October 2019 to 30 September 2020<br>(FY2019-2020) |
| 1 October 2019 to 30 September 2020<br>(FY2019-2020) | 31 December 2020                        | 1 October 2020 to 30 September 2021<br>(FY2020-2021) |

# Corporate Income Tax

## Rates of tax

The current corporate income tax (“**CIT**”) rate is 25% for Myanmar companies, branches registered under the Myanmar Companies Law (“**MCL**”) 2017, and companies operating under permission from the 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 CIT rate for companies listed on the Yangon Stock Exchange is 20% effective from 2017-2018 income year. 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. 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 22) for detailed depreciation rates.

## Loss carry forward

Under the Income Tax Law (“**ITL**”), if a company sustains a loss, it can be utilized against future profits and carried forward for up to three consecutive years, with the exception of capital losses.

## **Advance payment of 2% CIT on importation and exportation**

Companies importing or exporting goods must pay a 2% advanced income tax 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 MIC permit. The tax that is collected as an advance payment of CIT can be used as an offset against the annual CIT due at the end of the financial year.



# Withholding Tax

## Overview

The MOPF 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.

| 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 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 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 Residency 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 profit. A CGT return must be lodged by any person who sells, exchanges or transfers capital assets, even if there is a 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 a resident foreigner for tax purposes if they are residing in Myanmar for 183 days or more during an income year (1 April to the following 31 March). 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”) of 2018-2019, 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 annual salary income, up to a maximum of MMK10,000,000 (approximately US\$6,667\*)
- MMK500,000 per annum (approximately US\$333\*) for each child living with the taxpayer who fulfills ALL of the following criteria: 1) is unmarried; 2) is not earning assessable income; and 3) is either under 18, or if 18 or over, is in full-time education
- MMK1,000,000 (approximately US\$667\*) for one non-working spouse who is living with the taxpayer
- MMK1,000,000 (approximately US\$667\*) per parent for dependent parents living with the taxpayer. The term “parent” includes a father- or mother-in-law

- Premiums paid for the life insurance of the taxpayer and taxpayer's spouse
- Contributions towards savings funds approved by the Internal Revenue Department ("IRD")
- Social security contributions made by employees to the Social Security Board (2% of annual salary, capped at MMK72,000 (approximately US\$48\*)

\*Using an exchange rate of US\$1 = MMK1,500

## 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 = MMK1,500.

| Personal income tax rates     |                     |                 |
|-------------------------------|---------------------|-----------------|
| From MMK (US\$)               | To MMK (US\$)       | Income tax rate |
| 1 (0.0007)                    | 2,000,000 (1,332)   | 0 percent       |
| 2,000,001 (1,333)             | 5,000,000 (3,332)   | 5 percent       |
| 5,000,001 (3,333)             | 10,000,000 (6,666)  | 10 percent      |
| 10,000,001 (6,667)            | 20,000,000 (13,332) | 15 percent      |
| 20,000,001 (13,33)            | 30,000,000 (20,000) | 20 percent      |
| 30,000,001 (20,001) and above |                     | 25 percent      |

## 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.

## Undisclosed source of income

Undisclosed source of income 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.

| No. | Income (MMK)             | Income Tax Rate |
|-----|--------------------------|-----------------|
| a.  | 1 - 30,000,000           | 15%             |
| b.  | 30,000,001 - 100,000,000 | 20%             |
| c.  | 100,000,001 and above    | 30%             |

## 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.

## 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.



# 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

## Non-taxable goods and services

There are 42 goods exempted from CT, and the majority of the exempted goods are agricultural goods and related products (see Annex 2 (Page 28) for details). All kinds of services rendered in Myanmar are subject to CT at 5%, except 31 types of exempted services (see Annex 3 (Page 33) for details).

## Revenue threshold for charging and paying CT

Taxpayers whose revenue from trading, sale of goods and services in the income year exceeds the minimum threshold of MMK50 million are obliged to charge, collect and pay CT to the IRD.

## Registration

Apart from importation, any person (including non-residents) who is performing the abovementioned activities that are subject to CT is required to register for CT one month in advance of the commencement of business. CT on importation will be collected by the Customs Department together with customs duty.

## Rates of tax

Below is a summary of the applicable CT rates:

| Activities                                       | CT Rate  |
|--|--|
| Importation                                      | 5%   |
| 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%   |

## **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 apart from the input CT paid for any fixed assets or capital assets. In addition, 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 unsold goods and unutilised raw materials can be carried forward to next income year subject to IRD's approval.

# 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. There are 17 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 35) for current SGT rates imposed on local production and importation as per the UTL 2018 - 2019.

The SGT rates for exportation are mentioned in Annex 5 (Page 39).

## **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.

## Tax Compliance Requirements

The income year in Myanmar has been changed from 1 October to following 30 September. Due to this change, the taxpayers will have a six-month period from 1 April 2019 to 30 September 2019 (“FY2019”) as one income year.

### Compliance timelines and penalties

| Tax | Payment  | Filing   | Penalty   |
|-----|--|--|---|
| CIT | Payments quarterly, within 10 days after the end of each quarter.  | Annual returns within 3 months after the income year-end.  | Yes, if taxes are not paid by the 10th after the income year-end and the return is not filed within 3 months after the income year-end; 10% of total payable tax as a late payment penalty and late filing penalty. |
| WHT | Payment within 7 days of payments to suppliers. In practice, the returns and payments are done on a monthly basis. | Filing by 7th following month  | The IRD may recover the applicable WHT amount from the payer if the deduction of WHT was not made.  |
| PIT | Payments in equal installments, in practice on a monthly basis.  | Monthly and annual filing within 3 months after the income year-end.   | 10% of total payable tax as a late payment penalty and late filing penalty.   |
| 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 3 months after the income year-end. | 10% of CT due as a late payment penalty and 10% of annual CT payable levied on annual total revenue as a late filing penalty.   |
| SGT | Payment on a monthly basis, within 10 days after the month-end   | Quarterly, within 10 days after the quarter-end  | 10% of total payable tax as a late payment penalty and late filing penalty  |
| CGT | Payment within 30 days of the capital asset being sold, exchanged or transferred                                   | Within 30 days of the capital asset being sold, exchanged or transferred   | 10% of total payable tax as late payment penalty and late filing penalty  |

## 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 10 times the amount of the overdue SD.

Please refer to Annex 6 for (Page 40) 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 permit 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 another similar type of business   |
| 3   | Depreciation   | Accelerated depreciation may be allowed to start from the date of commercial operation   |
| 4   | Equal income tax rate  | Income tax rates on foreign investors are the same as on resident citizens   |
| 5   | R&D deduction  | Right to deduct R&D costs from assessable income   |
| 6   | 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   |
| 7   | Exemption for raw materials and semi-finished goods  | Exempt from customs duty and other local taxes for businesses which export their entire production   |
| 8   | Refund of tax and 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 of those goods that are exported   |

## 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 <sup>#</sup>   | Promotion Zone <sup>#</sup>  |
|-------------------------------------|---|--|
| 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   |

<sup>#</sup> 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 and India. Therefore, Myanmar has FTA with four 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<br>(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  |
|     | c                                   | Musical instruments used in hotels, theaters and cinemas                               | 10  |

## Tax Depreciation Schedule (cont.)

| No. | Type of capital asset  | Percentage of the original value |
|-----|--|----------------------------------|
| 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                             |
|     | 23 Sawmills  | 6.25                             |
|     | 24 Quicklime kilns   | 6.25                             |

## Tax Depreciation Schedule (cont.)

| No. | Type of capital asset |  | Percentage of the original value         |                       |      |
|-----|-----------------------|--|--|-----------------------|------|
|     | 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                  |      |
| 8   |                       |  | Printing machines                        | 6.25                  |      |
| 9   |                       |  | Air compressors and pneumatic machines   | 6.25                  |      |
| c   |                       | Ice-cream makers                           | 10                                       |                       |      |

## Tax Depreciation Schedule (cont.)

| No. | Type of capital asset   |   | Percentage of the original value                                     |      |
|-----|-------------------------|---|--|------|
|     | 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   |
|     | 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   |      |

## Tax Depreciation Schedule (cont.)

| No. | Type of capital asset                              |  | Percentage of the original value |           |      |   |  |    |   |                         |    |   |                                      |    |   |                 |    |   |                            |      |   |                            |   |   |                                |    |   |                  |      |    |                              |      |    |                       |    |    |                          |      |    |                          |    |    |                              |    |    |                        |   |    |                 |      |    |                     |  |    |                   |  |    |                         |  |                         |    |                    |      |    |                 |   |    |                       |  |                          |   |             |   |                      |    |
|-----|--|--|----------------------------------|-----------|------|---|--|----|---|-------------------------|----|---|--------------------------------------|----|---|-----------------|----|---|----------------------------|------|---|----------------------------|---|---|--------------------------------|----|---|------------------|------|----|------------------------------|------|----|-----------------------|----|----|--------------------------|------|----|--------------------------|----|----|------------------------------|----|----|------------------------|---|----|-----------------|------|----|---------------------|--|----|-------------------|--|----|-------------------------|--|-------------------------|----|--------------------|------|----|-----------------|---|----|-----------------------|--|--------------------------|---|-------------|---|----------------------|----|
| 8   | Other miscellaneous items for work purposes        |  |                                  |           |      |   |  |    |   |                         |    |   |                                      |    |   |                 |    |   |                            |      |   |                            |   |   |                                |    |   |                  |      |    |                              |      |    |                       |    |    |                          |      |    |                          |    |    |                              |    |    |                        |   |    |                 |      |    |                     |  |    |                   |  |    |                         |  |                         |    |                    |      |    |                 |   |    |                       |  |                          |   |             |   |                      |    |
|     | a  | <table border="1"> <tr> <td data-bbox="192 305 244 347">1</td> <td data-bbox="244 305 729 347">Airplanes</td> <td data-bbox="729 305 936 347">12.5</td> </tr> <tr> <td data-bbox="192 347 244 417">2</td> <td data-bbox="244 347 729 417">Machines used for data compilation and calculators</td> <td data-bbox="729 347 936 417">10</td> </tr> <tr> <td data-bbox="192 417 244 458">3</td> <td data-bbox="244 417 729 458">Articles used by actors</td> <td data-bbox="729 417 936 458">20</td> </tr> <tr> <td data-bbox="192 458 244 500">4</td> <td data-bbox="244 458 729 500">Recording and amplifying apparatuses</td> <td data-bbox="729 458 936 500">10</td> </tr> <tr> <td data-bbox="192 500 244 541">5</td> <td data-bbox="244 500 729 541">Bottle cleaners</td> <td data-bbox="729 500 936 541">10</td> </tr> <tr> <td data-bbox="192 541 244 583">6</td> <td data-bbox="244 541 729 583">Carton box making machines</td> <td data-bbox="729 541 936 583">6.25</td> </tr> <tr> <td data-bbox="192 583 244 624">7</td> <td data-bbox="244 583 729 624">Breweries and distilleries</td> <td data-bbox="729 583 936 624">5</td> </tr> <tr> <td data-bbox="192 624 244 666">8</td> <td data-bbox="244 624 729 666">Cameras and photographic items</td> <td data-bbox="729 624 936 666">10</td> </tr> <tr> <td data-bbox="192 666 244 707">9</td> <td data-bbox="244 666 729 707">Cement factories</td> <td data-bbox="729 666 936 707">6.25</td> </tr> <tr> <td data-bbox="192 707 244 749">10</td> <td data-bbox="244 707 729 749">Chemical substance factories</td> <td data-bbox="729 707 936 749">6.25</td> </tr> <tr> <td data-bbox="192 749 244 790">11</td> <td data-bbox="244 749 729 790">Computerized machines</td> <td data-bbox="729 749 936 790">20</td> </tr> <tr> <td data-bbox="192 790 244 832">12</td> <td data-bbox="244 790 729 832">Cotton crushing machines</td> <td data-bbox="729 790 936 832">6.25</td> </tr> <tr> <td data-bbox="192 832 244 874">13</td> <td data-bbox="244 832 729 874">Condensed milk factories</td> <td data-bbox="729 832 936 874">10</td> </tr> <tr> <td data-bbox="192 874 244 915">14</td> <td data-bbox="244 874 729 915">Duplicators and photocopiers</td> <td data-bbox="729 874 936 915">10</td> </tr> <tr> <td data-bbox="192 915 244 957">15</td> <td data-bbox="244 915 729 957">Iron smelting machines</td> <td data-bbox="729 915 936 957">5</td> </tr> <tr> <td data-bbox="192 957 244 998">16</td> <td data-bbox="244 957 729 998">Glass factories</td> <td data-bbox="729 957 936 998">6.25</td> </tr> <tr> <td data-bbox="192 998 244 1040">17</td> <td data-bbox="244 998 729 1040">Pesticide factories</td> <td data-bbox="729 998 936 1040"></td> </tr> <tr> <td data-bbox="192 1040 244 1081">18</td> <td data-bbox="244 1040 729 1081">Knitting machines</td> <td data-bbox="729 1040 936 1081"></td> </tr> <tr> <td data-bbox="192 1081 244 1166" rowspan="3">19</td> <td data-bbox="244 1081 729 1123">Laundry and dyeing work</td> <td data-bbox="729 1081 936 1123"></td> </tr> <tr> <td data-bbox="244 1123 729 1166">- General use equipment</td> <td data-bbox="729 1123 936 1166">10</td> </tr> <tr> <td data-bbox="244 1166 729 1209">- Washing machines</td> <td data-bbox="729 1166 936 1209">12.5</td> </tr> <tr> <td data-bbox="192 1209 244 1251">20</td> <td data-bbox="244 1209 729 1251">Match factories</td> <td data-bbox="729 1209 936 1251">5</td> </tr> <tr> <td data-bbox="192 1251 244 1374" rowspan="4">21</td> <td data-bbox="244 1251 729 1292">Oil and gas companies</td> <td data-bbox="729 1251 936 1292"></td> </tr> <tr> <td data-bbox="244 1292 729 1335">- Machines and equipment</td> <td data-bbox="729 1292 936 1335">5</td> </tr> <tr> <td data-bbox="244 1335 729 1374">- Pipelines</td> <td data-bbox="729 1335 936 1374">5</td> </tr> <tr> <td data-bbox="244 1374 729 1417">- Drilling equipment</td> <td data-bbox="729 1374 936 1417">20</td> </tr> </table> | 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 | 21 | Oil and gas companies |  | - Machines and equipment | 5 | - Pipelines | 5 | - Drilling equipment | 20 |
| 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  |                                  |           |      |   |  |    |   |                         |    |   |                                      |    |   |                 |    |   |                            |      |   |                            |   |   |                                |    |   |                  |      |    |                              |      |    |                       |    |    |                          |      |    |                          |    |    |                              |    |    |                        |   |    |                 |      |    |                     |  |    |                   |  |    |                         |  |                         |    |                    |      |    |                 |   |    |                       |  |                          |   |             |   |                      |    |
| 21  | Oil and gas companies                              |  |                                  |           |      |   |  |    |   |                         |    |   |                                      |    |   |                 |    |   |                            |      |   |                            |   |   |                                |    |   |                  |      |    |                              |      |    |                       |    |    |                          |      |    |                          |    |    |                              |    |    |                        |   |    |                 |      |    |                     |  |    |                   |  |    |                         |  |                         |    |                    |      |    |                 |   |    |                       |  |                          |   |             |   |                      |    |
|     | - Machines and equipment                           | 5  |                                  |           |      |   |  |    |   |                         |    |   |                                      |    |   |                 |    |   |                            |      |   |                            |   |   |                                |    |   |                  |      |    |                              |      |    |                       |    |    |                          |      |    |                          |    |    |                              |    |    |                        |   |    |                 |      |    |                     |  |    |                   |  |    |                         |  |                         |    |                    |      |    |                 |   |    |                       |  |                          |   |             |   |                      |    |
|     | - Pipelines  | 5  |                                  |           |      |   |  |    |   |                         |    |   |                                      |    |   |                 |    |   |                            |      |   |                            |   |   |                                |    |   |                  |      |    |                              |      |    |                       |    |    |                          |      |    |                          |    |    |                              |    |    |                        |   |    |                 |      |    |                     |  |    |                   |  |    |                         |  |                         |    |                    |      |    |                 |   |    |                       |  |                          |   |             |   |                      |    |
|     | - Drilling equipment                               | 20   |                                  |           |      |   |  |    |   |                         |    |   |                                      |    |   |                 |    |   |                            |      |   |                            |   |   |                                |    |   |                  |      |    |                              |      |    |                       |    |    |                          |      |    |                          |    |    |                              |    |    |                        |   |    |                 |      |    |                     |  |    |                   |  |    |                         |  |                         |    |                    |      |    |                 |   |    |                       |  |                          |   |             |   |                      |    |

## Tax Depreciation Schedule (cont.)

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

## Annex 2: Commercial Tax Exempted Goods

| No.  | Type of goods  |
|--|--|
| <b>Food Stuffs</b>                             |  |
| 1  | Paddy, rice, broken rice, fine bran, coarse bran, husk, Fine and coarse wheat bran, and wheat seeds, various types of maize and their flour  |
| 2  | Varieties of whole and split pulses and beans, and their flour, bran and husks, Groundnuts, shelled and unshelled, Sesame seeds, Niger seeds   |
| 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, condensed milk, evaporated milk, and milk powder, Soy milk   |
| 9  | Varieties of fish sauce ( <i>ngan-pya-ye</i> ), 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 ( <i>ngapi</i> )   |
| <b>Agriculture and Livestock Related Goods</b> |  |
| 10   | Mulberry leaves, Silk cocoons  |
| 11   | 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   |
| 12   | Topsoil 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) |



## Commercial Tax Exempted Goods (cont.)

| No.                                 | Type of goods  |
|-------------------------------------|--|
| 13                                  | Oil palm, Mustard seeds, sunflower seeds, tamarind seeds, cotton seeds, Pumpkin seeds, melon seeds, cashew nuts, Areca (betel) nuts, areca (betel) nuts shells, Quality crop seeds and plants  |
| 14                                  | Cotton (assorted), Agricultural products not specified elsewhere such as thatch, reeds, nipa palm, <i>taung htan</i> , cardamom, <i>wa oo</i> , Thanakha, Coconut oil (not palm oil)   |
| 15                                  | Coconut yarn   |
| 16                                  | Firewood, bamboo, Raw and processed cane, fuel block as an alternative to firewood   |
| <b>Schools and Office Use Goods</b> |  |
| 17                                  | Sealing wax, Assorted stamps (including revenue stamps)  |
| 18                                  | National flag  |
| 19                                  | Slate, slate pencils, and chalk, Graphite (lead) used for the production of pencils  |
| 20                                  | 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.   |
| <b>Health Related Goods</b>         |  |
| 21                                  | Medicinal herbal plants  |
| 22                                  | Honey, beeswax   |
| 23                                  | 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. |

## Commercial Tax Exempted Goods (cont.)

| No.                                   | Type of goods  |
|---------------------------------------|--|
| 24                                    | Condom   |
| <b>Religions and Social Use Goods</b> |  |
| 25                                    | Rosaries (except for rosaries made with precious gemstones), Religious clothes (robes, etc.).  |
| 26                                    | Fire engines, search and rescue vehicles and hearses   |
| 27                                    | Goods purchased with cash donations or contributions given to the State by local or foreign benefactors  |
| <b>Transportation Related Goods</b>   |  |
| 28                                    | Fuel sold to foreign embassies, UN organizations and foreign diplomats by the Ministry of Electricity and Energy                               |
| 29                                    | Jet fuel to be used for both international and domestic flights  |
| 30                                    | Airplane and helicopter engines, equipment, accessories, and parts thereof   |
| <b>Industrial Goods</b>               |  |
| 31                                    | Bleaching substances (only those that use hydrochloride for bleaching), Raw materials to produce detergent, soap, heavy duty detergent / soap. |
| 32                                    | Jute and other fibers, Oil dregs and gum tragacanth  |

## Commercial Tax Exempted Goods (cont.)

| No.   | Type of goods  |
|---|--|
| 33  | 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. Animal, fish and prawn food, raw and finished products (Not included of animal food for the pets), Medicine and vaccine used for animal, fish and prawn (Including of medicine and vaccine which have been approved by Ministry of Agriculture, livestock and irrigation and medicine licensed by Livestock Breeding and Veterinary Department), Semen (including frozen semen), sperm, and eggs used for artificial insemination for livestock improvement, embryos, and equipment for artificial insemination. |
| 34  | Solar panels, solar charger controllers, and solar inverters   |
| 35  | Raw materials or sub-assemblies or packaging materials for finished goods, machines, tools and machinery and their respective spare parts which were sent by clients from abroad for the purpose of producing any finished goods on a Contract Manufacturing Process (CMP) basis   |
| <b>Defense Related Goods</b>                  |  |
| 36  | 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 |  |
| 37  | 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  |
| 38  | Oil dregs  |

## Commercial Tax Exempted Goods (cont.)

| No.                        | Type of goods  |
|----------------------------|--|
| <b>Miscellaneous Goods</b> |  |
| 39                         | Goods to be sold at duty-free shops to passengers leaving the country.   |
| 40                         | Goods to be 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 and Finance under the permission of Union Government. |
| 41                         | Goods exempt from taxes as stated by the Pyidaungsu Hluttaw because of State requirements  |
| 42                         | Goods imported under temporary admission or on a drawback basis subject to customs procedures  |

## Annex 3: Commercial Tax Exempted Services

| No.  | Type of service   |
|--|---|
| <b>Foreign Affair Sector</b>                 |   |
| 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 and Finance under the permission of Union Government. |
| <b>Defense Sector</b>                        |   |
| 2  | Publications by the Security Press of the Ministry of Defense   |
| <b>Religions and Cultural Affairs Sector</b> |   |
| 3  | Culture and arts services   |
| 4  | Services received via donations or contributions by local and foreign organizations to the Union  |
| <b>Transportation Sector</b>                 |   |
| 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  |
| 10   | Public transport services   |
| <b>Education and Information Sector</b>      |   |
| 11   | Education Services  |
| 12   | Publishing services for books, magazines, journals, and newspapers  |
| <b>Health Sector</b>                         |   |
| 13   | Healthcare services except from cosmetic surgery  |
| 14   | Traditional massage and massage by the blind  |
| 15   | Animal healthcare services  |
| 16   | Public toilet entrance fee collection services  |
| <b>Planning and Finance Sector</b>           |   |
| 17   | Life Insurance Services   |

## Commercial Tax Exempted Services (cont.)

| No.  | Type of service   |
|--|---|
| 18   | Microfinance services   |
| 19   | Capital market services   |
| 20   | Banking and financial services conducted with the permission of the Central Bank of Myanmar   |
| 21   | Customs and port clearance services   |
| 22   | Lottery business  |
| <b>Ministry of Social Welfare, Relief and Resettlement</b> |   |
| 23   | Catering equipment rental services  |
| 24   | Funeral services  |
| 25   | Childcare and nursery services  |
| <b>Industrial and Electrical Sector</b>                    |   |
| 26   | Services provided on a contract manufacturing basis   |
| 27   | Industrial agriculture services   |
| 28   | Electricity distribution services provided to the areas by the small private electricity supplier where by the electricity power grid are not yet connected.  |
| <b>Miscellaneous Sector</b>                                |   |
| 29   | License fees paid to government organizations in order to obtain any license  |
| 30   | Services exempt by the Pyidaungsu Hluttaw because of State requirements   |
| 31   | 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 Attorney General Office, Union Auditor General Office, Union Civil Service Board Office, Nay Pyi Taw Council Office, Union Ministries, 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 MMK 600 per pack of 20 cigarettes         | MMK6 per cigarette     |
|     | (b) Cigarettes, all types | For a sales price of MMK601 to MMK800 per pack of 20 cigarettes` | MMK14 per cigarette    |
|     | (c) Cigarettes, all types | For a sales price of MMK801 to MMK1000 per pack of 20 cigarettes | MMK19 per cigarette    |
|     | (d) Cigarettes, all types | For a sales price of MMK1001 and above per pack of 20 cigarettes | MMK21 per cigarette    |
| 2   | Tobacco                   |  | 60%                    |
| 3   | Virginia tobacco, cured   |  | 60%                    |
| 4   | Cheroot                   |  | MMK 50 Pya per cheroot |
| 5   | Cigars                    |  | 80%                    |
| 6   | Pipe tobacco              |  | 80%                    |
| 7   | Betel quid preparations   |  | 80%                    |
| 8   | (a) Liquor, all types     | Up to MMK 1,000 per liter  | MMK122 per liter       |
|     | (b) Liquor, all types     | MMK 1,001 to MMK 2,000 per liter                                 | MMK366 per liter       |
|     | (c) Liquor, all types     | MMK2,001 to MMK3,000 per liter                                   | MMK609 per liter       |
|     | (d) Liquor, all types     | MMK3,001 to MMK4,000 per liter                                   | MMK853 per liter       |

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

| No. | Type of Specific goods | Price range                      | Tax rate                   |
|-----|------------------------|----------------------------------|----------------------------|
|     | (e) Liquor, all types  | MMK4,001 to MMK5,000 per liter   | MMK1097 per liter          |
|     | (f) Liquor, all types  | MMK5,001 to MMK6,000 per liter   | MMK1,341 per liter         |
|     | (g) Liquor, all types  | MMK6,001 to MMK8,000 per liter   | MMK1,706 per liter         |
|     | (h) Liquor, all types  | MMK8,001 to MMK10,000 per liter  | MMK2,194 per liter         |
|     | (i) Liquor, all types  | MMK10,001 to MMK12,000 per liter | MMK2,681 per liter         |
|     | (j) Liquor, all types  | MMK12,001 to MMK14,000 per liter | MMK3,169 per liter         |
|     | (k) Liquor, all types  | MMK14,001 to MMK17,000 per liter | MMK3,778 per liter         |
|     | (l) Liquor, all types  | MMK17,001 to MMK20,000 per liter | MMK4,509 per liter         |
|     | (m) Liquor, all types  | MMK20,001 to MMK23,000 per liter | MMK5,241 per liter         |
|     | (n) Liquor, all types  | MMK23,001 to MMK26,000 per liter | MMK5,972 per liter         |
|     | (o) Liquor, all types  | MMK26,001 to MMK29,000 per liter | MMK6,703 per liter         |
|     | (p) Liquor, all types  | MMK29,001 and above per liter    | 60% of the value per liter |
| 9   | Beer, all types        |                                  | 60%                        |
| 10  | (a) Wine, all types    | Up to MMK750 per liter           | MMK81 per liter            |
|     | (b) Wine, all types    | MMK751 to MMK1,500 per liter     | MMK244 per liter           |



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

| No. | Type of Specific goods     | Price range                      | Tax rate                   |
|-----|----------------------------|----------------------------------|----------------------------|
|     | (c) Wine, all types        | MMK1,501 to MMK2,250 per liter   | MMK406 per liter           |
|     | (d) Wine, all types        | MMK2,251 to MMK3,000 per liter   | MMK569 per liter           |
|     | (e) Wine, all types        | MMK3,001 to MMK3,750 per liter   | MMK732 per liter           |
|     | (f) Wine, all types        | MMK3,751 to MMK4,500 per liter   | MMK894 per liter           |
|     | (g) Wine, all types        | MMK4,501 to MMK6,000 per liter   | MMK1,138 per liter         |
|     | (h) Wine, all types        | MMK6,001 to MMK7,500 per liter   | MMK1,463 per liter         |
|     | (i) Wine, all types        | MMK7,501 to MMK9,000 per liter   | MMK1,788 per liter         |
|     | (j) Wine, all types        | MMK9,001 to MMK10,500 per liter  | MMK2,113 per liter         |
|     | (k) Wine, all types        | MMK10,501 to MMK13,500 per liter | MMK2,600 per liter         |
|     | (l) Wine, all types        | MMK13,501 to MMK16,500 per liter | MMK3,250 per liter         |
|     | (m) Wine, all types        | MMK16,501 to MMK19,500 per liter | MMK3,900 per liter         |
|     | (n) Wine, all types        | MMK19,501 to MMK22,500 per liter | MMK4,550 per liter         |
|     | (o) Wine, all types        | MMK22,501 to MMK26,000 per liter | MMK5,254 per liter         |
|     | (p) Wine, all types        | MMK26,001 and above per liter    | 50% of the value per liter |
| 11  | Timber logs, wood cuttings |                                  | 5%                         |

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

| No. | Type of Specific goods   | Price range | Tax rate |
|-----|--|-------------|----------|
| 12  | Raw jade stones  |             | 15%      |
| 13  | Raw gemstones of ruby, sapphire, and other raw precious gemstones, except diamonds and emeralds  |             | 10%      |
| 14  | Finished gemstones of jade, ruby, sapphire, (except diamonds and emeralds) and other finished precious gemstones, either loose or embedded jewelry, except diamonds and emeralds |             | 5%       |
| 15  | (a) Vans, saloons, sedans, estate wagons, and coupes with engine capacity from 1,501cc to 2,000cc except double cab 4 door pickup  |             | 10%      |
|     | (b) Vans, saloons, sedans, estate wagons, and coupes with engine capacity from 2,001cc to 4,000cc except double cab 4 door pickup  |             | 30%      |
|     | (c) Vans, saloons, sedans, estate wagons, and coupes with engine capacity of more than 4,001cc except double cab 4 door pickup   |             | 50%      |
| 16  | Kerosene, gasoline, diesel, and jet fuel   |             | 5%       |
| 17  | Natural gas  |             | 8%       |

## Annex 5: Specific Goods Tax rates for export

| No. | Specific Goods  | Tax rate |
|-----|---|----------|
| 1   | Natural gas   | 8%       |
| 2   | Timber logs, wood cuttings  | 10%      |
| 3   | Raw gemstones of jade   | 15%      |
| 4   | Raw gemstones of ruby, sapphire and other precious raw gemstones, except diamonds and emeralds  | 10 %     |
| 5   | Finished gemstones of jade, ruby, sapphire (except diamonds and emeralds) and other finished precious gemstones, either loose or in jewelry, except diamonds and emeralds | 5%       |

## Annex 6: Selected Stamp Duty Schedules

### Agreements and Counterparts

| Description of Instrument   | Proper Stamp-duty  |
|---|--|
| <b>AGREEMENT OR MEMORANDUM OF AGREEMENT :-</b>  |  |
| a. if relating to the sale of a bill of exchange;   | kyat 50  |
| 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 kyat 10,000, kyat 25 for every kyat 100,000 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 Kyat 150,000.        |
| d. if not otherwise provided for.   | kyat 300   |
| <b>Exemptions</b>   |  |
| Agreement or memorandum of agreement:-<br>a. for or relating to the sale of goods or merchandise exclusively, not being a NOTE OR MEMORANDUM chargeable under No.43;<br>b. made in the form of tenders to the Government of the Union of Myanmar for or relating to any loan;<br>c. made under the Land Acquisition Act.<br>d. <b>AGREEMENT TO LEASE</b> See <b>LEASE</b> ( NO .35) |  |

## Selected Stamp Duty Schedules (cont.)

| Description of Instrument   | Proper Stamp-duty  |
|---|--|
| <p><b>AGREEMENT RELATING TO DEPOSIT OF TITLE-DEEDS, PAWN OR PLEDGE</b>, that is to say, any instrument evidencing an agreement relating to :-</p> <ol style="list-style-type: none"> <li>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</li> <li>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 :-</li> </ol> |  |
| <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><b>Exemptions</b></p>  |  |
| <p>Instrument of pawn or pledge of goods if unattested</p>  |  |
| <p><b>COUNTERPART OR DUPLICATE</b> 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>kyat 100</p>  |

## Selected Stamp Duty Schedules (cont.)

| Description of Instrument  | Proper Stamp-duty |
|--|-------------------|
| <b>Exemptions</b>  |                   |
| Counterpart of any lease granted to a cultivator when such lease is exempted from duty.  |                   |
| <b>LETTER OF CREDIT</b> , that is to say, any instrument by which one person authorizes another to give credit to the person in whose favor it is drawn.<br><b>LETTER OF GUARANTEE.</b> See <b>AGREEMENT (No.5).</b> | kyat 200          |

## Bond

| Description of Instrument   | Proper Stamp-duty                      |
|---|--|
| <b>BOND</b> as defined by section 2(5), not being a <b>DEBENTURE (No.27)</b> , 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 <b>ADMINISTRATION-BOND(No.2)</b> , <b>BOT TOMRY BOND (No.16)</b> , <b>CUSTOMS BOND (No.26)</b> , <b>INDEMNITY-BOND (No.34)</b> , <b>RESPONDENTIA BOND (No.56)</b> , <b>SECURITY BOND (No.57)</b> .  |  |
| <b>Exemptions</b>   |  |
| Bond, when executed by -<br>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   |
|---|---|
| <b>CONVEYANCE</b> , as defined by section 2(10) not being a <b>TRANSFER</b> charged or exempted under No.62-  | Two per centum on the amount or value (additional 2% if relates to immovable property).   |
| <b>Exemptions</b>   |   |
| Assignment of copyright made under the Myanmar Copyright Act. <b>CO-PARTNERSHIP-DEED</b> . See <b>PARTNERSHIP</b> (No.46)                           |   |
| <b>FURTHER CHARGE:-</b> Instrument of, that is to say, any instrument imposing a further charge on mortgaged property:-                             | The same duty as a <b>CONVEYANCE</b> (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 <b>CONVEYANCE</b> (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 <b>Bond</b> (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   |
|--|---|
| <b>LEASE</b> , 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 <b>Bond</b> (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 <b>Bond</b> (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 years;                               | The same duty as a <b>CONVEYANCE</b> (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 <b>CONVEYANCE</b> (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. |
| v. where the lease purports to be in perpetuity;   | The same duty as a <b>CONVEYANCE</b> (No.23) ( <u>2%</u> ) 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.       |



## Selected Stamp Duty Schedules (cont.)

| Description of Instrument   | Proper Stamp-duty   |
|---|---|
| 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 <b>CONVEYANCE</b> (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 <b>CONVEYANCE</b> (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. |
| <b>Exemptions</b>   |   |
| 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.   |   |

## Selected Stamp Duty Schedules (cont.)

| Description of Instrument  | Proper Stamp-duty  |
|--|--|
| <b>MORTGAGE-DEED</b> , not being an <b>“AGREEMENT RELATING TO DEPOSIT OF TITLED EEDS, PAWN OR PLEDGE (No.6)”</b> , <b>BOTTOMRY BOND (No.16)</b> , <b>MORTGAGE OF A CROP (No.41)</b> , <b>RESPONDENTIA BOND (No.56)</b> , <b>OR SECURITY BOND (No.57):-</b> |  |
| 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 <b>CONVEYANCE (No.23) (2%)</b> (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 <b>BOND (No.15) (0.5%)</b> for the amount secured by such deed.   |
| <b>Explanation</b>   |  |
| 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  |
| <b>Exemptions</b>  |  |

## Selected Stamp Duty Schedules (cont.)

| Description of Instrument   | Proper Stamp-duty  |
|---|--|
| 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.   |  |
| <b>RECONVEYANCE</b> of mortgaged property or instrument of extinguishment of a mortgage.  | Subject to the maximum of kyat 10,000 the same duty as a <b>CONVEYANCE</b> (No.23) (2%) (Additional 2% if relates to immovable property) for the amount of the consideration for the mortgage. |

## Promissory Note

| Description of Instrument  | Proper Stamp-duty |
|--|-------------------|
| <b>PROMISSORY NOTE</b> [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          |

## Selected Stamp Duty Schedules (cont.)

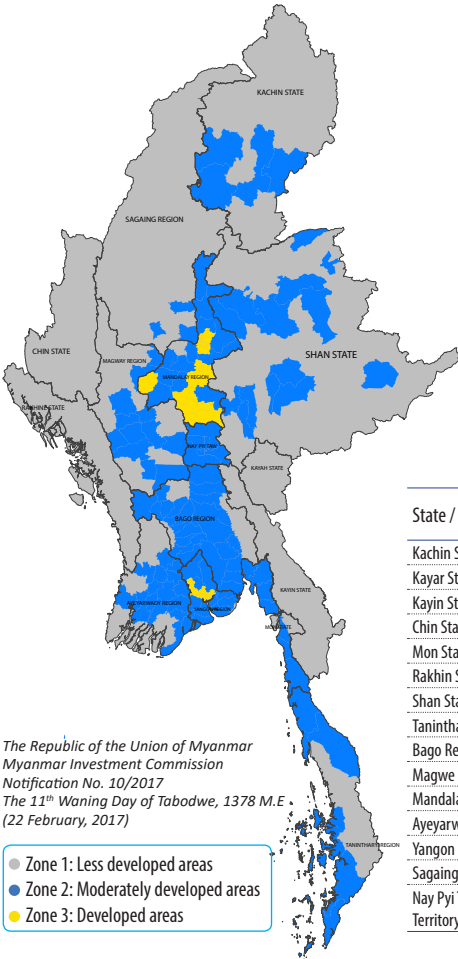
| Description of Instrument                 | Proper Stamp-duty   |
|---|---|
| b. when payable otherwise than on demand. | The same duty as a <b>BILL OF EXCHANGE</b> (No.13) for the same amount payable otherwise than on demand (if payable on demand, 0.0065% of the amount or value; if payable otherwise than on demand, 0.5% of the amount or value). |

### Transfer

| Description of Instrument   | Proper Stamp-duty  |
|---|--|
| <b>TRANSFER</b> ( 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:-  |  |
| 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   |

| Description of Instrument  | Proper Stamp-duty   |
|--|---|
| 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 |
| <b>Exemptions</b>  |   |
| Transfers by endorsement:-   |   |
| a. of a bill of exchange, cheque or promissory note;<br>b. of a bill of lading, delivery order, warrant for goods, or other mercantile document of title to goods;<br>c. of a policy of insurance; (d) of securities of the Government of the Union of Myanmar.<br>See also section 8. |   |

# Annex 7: Classification of zones under Myanmar Investment Law



The Republic of the Union of Myanmar  
 Myanmar Investment Commission  
 Notification No. 10/2017  
 The 11<sup>th</sup> 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      |        |





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