



Draft Law to Amend the Special Goods Tax Law
Suggestions from the public are solicited
(--- Year, Pyidaungsu Hluttaw Law Number---)
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The Pyidaungsu Hluttaw has enacted this law.

1. This law shall be called the Law to Amend the Special Goods Tax Law.
2. The provisions of this law shall come into force in the whole country from the 2017-2018 financial year.
3. In section 3 of the Special Goods Tax Law:
 - (a) In sub-section (d), the expression “special goods” shall be substituted with the expression “special goods that are bought and sold excluding gemstones”, and the expression “every process by which goods are produced” shall be substituted with the expression “the production, preparation and installation of goods or manufacture and extraction of goods by hand or machine”.
 - (b) The expression “extracting by hand” in sub-section (d), clause (3) shall be substituted with the expression “manufacturing and extracting by hand”.
 - (c) The expression “by payment in advance” in sub-section (g) shall be substituted with the expression “by payment in advance or in exchange for goods”.
 - (d) The expression “person to whom the special goods are being delegated by the manufacturer” in sub-section (h) shall be substituted with the expression “person to whom the special goods are delegated by the importer, manufacturer, exporter or gemstone dealer”.
 - (e) The expression “imported from abroad” in sub-section (j) shall be substituted with the expression “imported to the country”.
 - (f) The expression “excluding the tax” in sub-section (l) shall be substituted with the expression “including the tax”.
 - (g) The expression “in accordance with the specification” in sub-section (m) shall be substituted with the expression “in accordance with method specified by the Director General”.



- (h) The expression “production and sale of special goods produced by himself” in sub-section (n) shall be substituted with the expression “special goods tax that is to be paid by the special goods manufacturer, manufacturer/seller, exporter or gemstone dealer”.
- (i) The expression “Ministry of Finance” in sub-section (q) shall be substituted with the expression “Ministry of Planning and Finance”.
- (j) Sub-sections (u), (v), (w), (x), (y), (z) , (z 2), (z 3) shall be added after sub-section (t) as follows:
 - “(u) **“Exporter”** means an exporter who exports special goods to a destination abroad.
 - (v) **“Gemstone”** means gemstones defined by the Myanmar Gemstone Law.
 - (w) **“Gemstone dealer”** means any person operating a business of buying and selling jade and gemstones.
 - (x) **“Tax seal”** means any label or other evidence that is affixed or used according to section 34 of this law with regard to special goods.
 - (y) **“Business premises”** means the surroundings of a business or its branch registered under this law.
 - (z) **“Schedule of this law”** means the special goods tax schedule included in the chapter on special goods in the Union Tax Law.
 - (z2) **“Forms”** means forms that are specified according to the powers and duties of the Director General under this law.
 - (z3) **“Value class”** means the value of special goods based on the market price set by the Union Tax Law for the respective financial year.”
- 4. The expression “anyone who imports, exports, manufactures or keeps special goods” in section 4, sub-section (c) of the Special Goods Tax Law shall be substituted with the expression “anyone who imports, exports, manufactures or keeps special goods or deals in gemstones”.
- 5. Sub-section (d) shall be added after section 4, sub-section (c) of the Special Goods Tax as follows:



- “(d) With regard to gemstones, the tax shall be assessed for the operations under sub-section (a) and the purchase and sale of gemstones.”
6. Sub-sections (d) and (e) shall be added after section 5, sub-section (c) of the Special Goods Tax as follows:
- “(d) If gemstones are traded, the seller shall have to pay.
- (e) If special goods for which no tax was paid are being kept, the keeper shall have to pay.”
7. Section 6 of the Special Goods Tax Law shall be substituted as follows:
- “(a) For any year, the Union Tax Law may prescribe for each financial year -
- (1) The payable tax for special goods can be specified, amended, appended and annulled.
 - (2) Tax rates for calculation based on value, quantity, weight or any other measurement shall be set for special goods which are taxable.
 - (3) The tax to be assessed on special goods and the tax rates shall be set for exporting.
- (b) (1) Manufacturers and importers of special goods shall apply to the Director General through the Township Revenue Officer so that he specifies the value class of special goods which are manufactured or imported.
- (2) The Director General can specify the form and method by which the application has to be submitted.
 - (3) The Director General shall specify the value class of special goods for the relevant financial year as prescribed.
 - (4) For those special goods whose value class is unspecified, the highest value class shall be used if the Director General does not specify another appropriate value class.”

8. Section (4) of the Special Goods Tax Law shall be substituted as follows:

“(a) The tax rate of special goods assessable according to section (4) shall be calculated based on the value, quantity or weight of the goods or any other measurement on the following date -



- (1) The date on which customs clearance for the special goods is performed if they are imported into the country or exported to a destination abroad;
- (2) for special goods that are manufactured in the country:
 - (aa) the date on which they are manufactured if the special goods are specified as attracting tax based on production in a notification by the Ministry;
 - (bb) the date on which they are sold if the special goods are of another type;
- (3) the date on which it is investigated whether, and discovered that, someone possesses special goods for which no tax was paid.

Explanation:

“No tax was paid” for special goods under this law means:

- (a) Special goods to which no tax seal is affixed as prescribed if the special goods are specified as requiring a tax seal;
 - (b) other types of special goods in possession if they are not registered and imported as prescribed; special goods that were not purchased from a legal importer; special goods that were not manufactured, extracted and registered as prescribed; and special goods for which no adequate evidence was submitted that tax was paid when purchasing them from a legal manufacturer or carrier;
- (4) the date on which a gemstone is sold;
 - (5) besides the provisions in clauses (2), (3) and (4), other appropriate methods specified by the Director General.
- (b) When calculating the payable tax, this shall be done based on the following value according to the situation:
- (1) Landed costs if the special goods are imported into the country.
 - (2) For special goods that are manufactured in the country:
 - (aa) If the special goods are specified as attracting tax based on production in a notification by the Ministry, the sales price of the



factory, workshop and workplace that is specified and approved by the Director General and the Management Committee of the Inland Revenue Department for the respective year.

(bb) For other types of special goods, the sales price of the factory, workshop and workplace that is submitted by the manufacturer, or the sales price by the Director General or the Township Revenue Officer, whichever is higher.

(3) If the special goods are exported to a destination abroad, the price at which the special goods arrive on the vehicle for transporting them abroad.

(4) If in an investigation of an owner of special goods it is discovered that no tax was paid under this law, the sales price or market price at the time of the investigation and discovery.

(5) With regard to matters where compliance with the provision of sub-section (4) is difficult, the price calculated by methods specified by the Director General.

(6) The revenue if gemstones are being traded.”

9. Section 8, sub-section (a) of the Special Goods Tax Law shall be substituted as follows:

“(a) Anyone shall pay the assessable tax under this law as follows -

(1) The tax shall be paid before the cargo is collected if the special goods are imported.

(2) For special goods that are produced in the country:

(aa) If the special goods are specified as attracting tax based on production in a notification by the Ministry, the tax shall be paid within 10 days after the end of the month in which the special goods were produced.

(bb) For other types of special goods, the tax shall be paid within 10 days after the end of the month in which the special goods were sold.

(3) If special goods are exported to a destination abroad, the tax shall be paid within 10 days after the end of the month in which the special goods were exported.



- (4) If in an investigation of an owner of special goods it is discovered that no tax was paid under this law, the owner shall pay the tax within 7 days from the date of the investigation and discovery.
 - (5) If gemstones are traded, the tax shall be paid within 10 days after the end of the month in which the gemstones were sold.”
- 10. In section 9 of the Special Goods Tax Law,
 - (a) Sub-section (a), clauses (2), (3) and (4) shall be substituted as follows:
 - “(2) Special goods from duty free shops for travelers, except special goods which are specified as attracting tax on export.
 - (3) Special goods sold on a ship or plane while travelling abroad, except special goods which are specified as attracting tax on export.
 - (4) Special goods that are imported to the country for temporary use and later re-export to the original country in the original quantity and condition in accordance with customs regulations.”
 - (b) Sub-section (c), clause (3) shall be substituted as follows:
 - “(3) Special goods domestically produced, purchased or imported by national defence and security organizations of the State, except teak and hard wood logs, teak and hardwood cuttings of 10 inches or more, and raw and finished jade, rubies, sapphires and emeralds.”
- 11. Section 10, Sub- section (a) of the Special Goods Tax Law shall be substituted as follows:
 - “(a) Procedures to comply with when special goods are imported to the country for temporary use and later re-export to the original country in the original quantity and condition in accordance with customs regulations.”
- 12. Section 11 of Special Goods Tax Law shall be substituted as follows:
 - “11. (a) A manufacturer or exporter of special goods can deduct, from the tax payable by him, the special goods tax that he paid when importing special goods, or purchasing special goods from another manufacturer of special goods, in order to use them for the manufacture or export of special goods.



- (b) With regard to the manufacture and export of special goods, in order to pay tax only once, payment of the deducted tax shall be done as prescribed.
 - (c) If gemstones are manufactured and sold or purchased and sold, no tax deduction shall be allowed.
 - (d) However, if a person, in order to export them and sell them abroad, purchases his gemstones again that he sold in a domestic exhibition of Myanmar gemstones held by the government, the tax that he paid for purchasing in such exhibition shall be deducted from tax for exporting and selling abroad.”
- 13. The beginning of section 12 of the Special Goods Tax Law shall be substituted as follows:
“12. The Director General shall exercise the following duties and powers. In order to exercise such duties and powers, teams shall be formed; the powers and duties can be delegated to these teams or to any individual.”
- 14. (a) The beginning of section 13 of the Special Goods Tax Law shall be substituted as follows:
“A person or organization to whom/which duties and powers have been delegated by the Director General according to section (12) -”
 - (b) Section 13, sub-section (b) of the Special Goods Tax Law shall be substituted as follows:
“(b) The appointee can stop and vehicles before they leave the warehouse or business premises where special goods are stored, or vehicles while they are transporting.”
 - (c) The expression “goods manufacturer” in section 13, sub-section (d) of the Special Goods Tax Law shall be substituted with the expression “importer, manufacturer, exporter or gemstone dealer”.
- 15. Before the expression “confirmation letter” in section 14 of the Special Goods Tax Law the expression “identity card that is certified by signature or” shall be added.
- 16. In section 15 of Special Goods Tax Law:
 - (a) The expression “manufacturer of special goods” in sub-section (a) and (b) shall be substituted respectively with the expression “importer, manufacturer and exporter of special goods and a gemstone dealer”.



- (b) Sub-section (c) shall be substituted as follows:
 - “(c) The Township Revenue Officer shall issue a business registration certificate of the relevant financial year after scrutinizing as prescribed upon application for business registration according to sub-section (a) or (b)”.
- (c) After sub-section (c), sub-section (d) shall be added as follows:
 - “(d) An importer, manufacturer or exporter of special goods or a gemstone dealer who has been registered shall apply to annually renew the term of the business registration of the respective financial year.”

17. Section 16 of Special Goods Tax Law shall be substituted as follows:

- “(a) A domestic manufacturer or exporter or gemstone dealer shall pay tax in accordance with section 8 of the Special Goods Tax Law for special goods for which tax has to be paid and shall submit quarterly returns to the Revenue Officer within 10 days after the end of the relevant quarter for the manufacture, manufacture and sale, or export of special goods or the purchase and sale of gemstones.”
- (b) The Township Revenue Officer can notify anyone whom he has reason to believe that he manufactures or exports special goods or purchases and sells gemstones to pay tax for engaging in such operations and send a return once in a quarter.
- (c) An importer who imports special goods to the country for which tax has to be paid shall submit a list of the imported special goods to the Customs Department before the goods are collected from the Custom Department.”

18. Section 17 of the Special Goods Tax Law shall be substituted as follows:

- “(a) [Tax on] the special goods shall be assessed based on the return if the Township Revenue Officer believes and is satisfied that the return sent according to section 16, sub-section (a) and (b), is correct concerning the special goods.
- (b) The Township Revenue Officer can inspect other required evidence and can make an assessment if there is reason to believe that the correct amount of the assessable tax on the manufacture, manufacture and sale or export of the special goods or the purchase and sale of gemstones cannot be obtained from the data in the submitted return regarding the manufacture, manufacture and sale, or export of special goods or the purchase and sale of gemstones.



- (c) If the return with regard to the manufacture, manufacture and sale, or export of special goods, or the purchase and sale of gemstones, is not submitted, the Township Revenue Officer can make an assessment based on information received.
 - (d) The assessable tax shall be assessed on the manufacturer or exporter of special goods or gemstone dealer for the manufacture, manufacture and sale, or export of special goods, or the purchase and sale of gemstones, within one month after the submission of the return according to section 16, sub-section (a). [The Township Revenue Officer] can summon and examine anyone and ask for information before assessing the tax.
19. The expression “can claim within one year” in section 18 of the Special Goods Tax Law shall be substituted with the expression “can claim reimbursement of the refund or offset of the refund or determination of the refund as assessable tax within one year only”.
20. The expression “50% of the assessment” in section 21, sub-section (f), clause (2) of the Special Goods Tax Law shall be substituted with the expression “50% of the payable tax”. *[Translator’s note: Literal translation “50% of the tax to be paid again”]*
21. In section 22 of the Special Goods Tax Law,
- (a) The expression “in time” in sub-section (b) shall be substituted with the expression “within the specified period or within the period which has been extended”.
 - (b) Before the expression “the value of the special goods” in sub-section (c), the word “possessor” shall be added. *[Translator’s note: Literal translation based on the word order; the amended part of sub-section (c) will, if translated, actually read: “100% of the value of the special goods shall be imposed on the possessor...”]*
 - (c) The expression “of the payable tax” in sub-section (d) shall be substituted with the expression “of payable tax according to the assessment”.
 - (d) Sub-section (e) shall be substituted as follows:
“(e) 10% of the payable tax according to the relevant assessment for failure to submit the quarterly return in time”.
 - (e) Sub-section (f) shall be substituted as follows:



“(f) With regard to the special goods that have to be sold with a tax seal affixed to them, if the Township Revenue Officer discovers that the prescribed tax seal is not affixed, the manufacturer of the special goods shall have to pay 50% of the value of the special goods for which such failure has been discovered.”

22. The expression “amount of production” in section 23, sub-section (c) and section 25, sub-section (a) of the Special Goods Tax Law shall respectively be substituted with the expression “the amount of [special goods] imported, manufactured or exported or the amount sold of domestically purchased gemstones.”
23. Section 33, sub-section (a) shall be substituted as follows:
 - “(a) The collected tax from the Region or State, except the tax collected on the import of special goods to the country and the tax collected by State-owned departments and State-owned enterprises, can be transferred to the relevant Region or State budget according to the percentage specified by the Union Government.”
24. Section 37 shall be added after section 36 of the Special Goods Tax as follows:
 - “37. Special goods tax is deemed to have been paid for the following matters if the Director General is satisfied:
 - (a) In respect to goods that were manufactured or imported before 1st April 2016, commercial tax according to the Commercial Tax Law, 1990, Union Tax Law, 2014 and Union Tax Law, 2015 was paid.
 - (b) If the goods are not liable to commercial tax as they were manufactured or imported before the Commercial Tax Law, 1990 came into effect.
 - (c) Special goods for which there are tax exemptions. For example- goods in section 9, sub-section (a), clause (1) of this Law.
25. The beginning of the Schedule of the Special Goods Tax Law shall be deleted.