



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

Government of the Republic of the Union of Myanmar
Ministry of Planning and Finance
Union Minister's Office

Notification

No. 64/2019

**5th Waxing Day of Wakhaung, 1381
(5 August 2019)**

The Ministry of Planning and Finance hereby issues the following procedures according to the authority given by section 40 of the 2018/19 Union Tax Law with the consent of the Union Government.

Tax collection procedures during the transition period due to the change of the financial year

1. The following procedures shall be called "tax collection procedures during the transition period due to the change of the financial year.
2. The terms contained in these procedures shall have the meaning as prescribed in the relevant laws and the 2018/19 Union Tax Law.
3. All taxpayers, except state-owned enterprises, shall comply with these procedures for the collection of taxes in the period from 1 April to 30 September 2019.
4. With regard to special goods tax: If the total revenue, multiplied by 2, of cooperative societies and private enterprises from the domestic manufacturing and sale of tobacco, cheroots and cigars during the period from 1 April to 30 September 2019 exceeds 20 million kyats, this revenue shall be subject to the taxes to be collected according to the Special Goods Tax Law and the 2018/19 Union Tax Law.
5. With regard to commercial tax: If the total sales proceeds or service fees, multiplied by 2, of cooperative societies and private enterprises during the period from 1 April to 30 September 2019 from the domestic manufacturing and sale of goods that are subject to commercial tax, from trading, or from the provision of services that are subject to commercial tax exceeds 50 million kyats, these sales proceeds or service fees shall be subject to the taxes to be collected according to the Commercial Tax Law and the 2018/19 Union Tax Law.
6. With regard to personal income tax: The following shall be complied with for the period from 1 April to 30 September 2019 -



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- (a) Concerning salary income, no income tax shall be levied if the income during this period, multiplied by 2, does not exceed 4.8 million kyats; if the income exceeds this amount, the income tax shall be calculated based on the difference after the allowances have been deducted according to section 6 of the Income Tax Law. Half of the calculated income tax shall be the payable income tax.
- (b) Concerning rental income -
- (1) If the rental income is for less than a year, the calculation shall be based on the average annual rent.
 - (2) If the rental income is for a year or more, the calculation shall be based on the total rent.
 - (3) The income tax shall be calculated based on the difference after the allowances have been deducted according to section 6 of the Income Tax Law concerning the rent specified in sub-clauses (1) or (2).
 - (4) If the rent is for less than a year, income tax shall be calculated as follows:
$$\text{Payable income tax} = \frac{\text{Calculated income tax} \times \text{number of months of the rent}}{12}$$
 - (5) If the rental income is for a year or more than a year, the calculated income tax shall be the payable income tax.
- (c) Concerning professional income, business income and income from other sources, the total income after deduction of expenses shall be multiplied by 2; thereafter, the allowances according to section 6 Income Tax Law shall be deducted from the product; the difference shall be used as the basis of the calculation. Half of the calculated income tax shall be the payable income tax.
- (d) The procedures contained in sub-paragraph (b) and (c) shall only apply to the following types of taxpayers or the following types of income:
- (1) Individuals;
 - (2) partnerships;
 - (3) basic cooperative societies registered under the Cooperative Society Law.
- (e) Concerning businesses with a permit issued by the Myanmar Investment Commission, companies and cooperative societies except basic cooperative societies -



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Expenses (except depreciation, interest and donations according to section 6-A Income Tax Law) shall be deducted from the total income; the difference shall then be multiplied by 2. The depreciation according to the Rules and interest which was actually paid during this period shall be deducted from the product. Then, donations allowed according to section 6-A Income Tax Law shall be deducted from the difference. The income tax shall be calculated based on the difference according to the income tax rate specified based on the types of taxpayers. Half of the calculated income tax shall be the payable income tax.

- (f) Concerning a capital gain, no income tax shall be levied if the total value of the sale, exchange or transfer by other means does not exceed 10 million kyats, regardless of whether there is a profit.
- (g) Concerning income which has escaped assessment, the income, the value of the assets or the total expenses in order to acquire the assets during this period shall be considered as income and tax shall be levied.
- (h) The total foreign currency income of a citizen residing abroad, except salary income, shall be subject to 10% income tax.
- (i) Concerning newly established small and medium enterprises based on industry or craft: If the 6 months period falls within the period of 3 consecutive years including the starting year, the net profit during the 6 months shall be multiplied by 2. The product shall be used in the calculation as follows according to section 29 of the 2018/19 Union Tax Law -
 - (1) No income tax shall be levied if the product does not exceed 10 million kyats;
 - (2) the income tax shall be calculated based on the amount exceeding 10 million kyats;
 - (3) half of the calculated income tax according to sub-clause 2 shall be the income tax payable by such enterprise.
- (j) Concerning foreign individuals: If the number of days on which this person resides in the country during the 6 months period, multiplied by 2, is 183 days or more, this person shall be considered to be a foreign individual residing in the country and income tax shall be levied.
- (k) Concerning a non-resident foreigner -



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- (1) The income tax shall be calculated and levied according to sub-paragraph (e) without deducting allowances according to sections 6 and 6-A Income Tax Law concerning other types of income except salary income.
 - (2) If the income is from salary, the total income shall be multiplied by 2; the product, without deduction of allowances according to sections 6 and 6-A Income Tax Law, shall be the basis for the income tax calculation according to the tax rates contained in section 19, sub-section (c) of the 2018/19 Union Tax Law. Half of the calculated income tax shall be the payable income tax.
- (l) Concerning the deduction of a loss from a source of income contained in section 20 of the Income Tax Law, the 6 months period shall be considered to be one year for the deduction.
7. The return of income according to section 17 of the Income Tax Law, the annual salary statement according to section 18 of the Income Tax Law and the annual return according to section 13 of the Commercial Tax Law for the 6 months period from 1 April to 30 September 2019 shall be filed within 3 months after the end of the 6 months period.

Soe Win
Union Minister

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