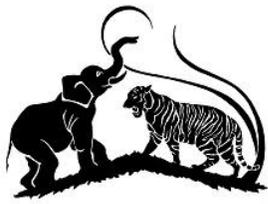


CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

Informing taxpayers who are paying taxes at the Medium Taxpayers Office 2

1. The Central Bank of Myanmar issued Directive No. 2/2023 on 25 January 2023 regarding the methods to be followed when paying taxes in foreign currency.
2. Taxpayer companies from the Medium Taxpayers Office 2 shall, when they are the person making payments for interest, the right to use a license, trademark or copyright, or for services, deduct the tax according to the specified percentage and submit it to the Internal Revenue Department according to Notification 47/2018. Likewise, according to section 16(a) Income Tax Law, the person responsible for making salary payments shall calculate the income tax due on the salary income at the specified percentage and submit it to the Internal Revenue Department.
3. According to section 30 Union Taxation Law 2023, the tax due on such payment in foreign currency shall be exchanged from foreign currency to kyat at the exchange rate set by the Central Bank of Myanmar in case of a resident citizen and a resident foreigner, and in case of a non-resident foreigner, the tax has to be paid in the type of currency received (foreign currency).
4. Therefore, taxpayer companies from the Medium Taxpayers Office 2 that have to pay taxes in foreign currency shall pay them in one of the following ways:
 - (a) Taxpayer companies that have opened foreign currency accounts with state-owned banks such as Myanma Foreign Trade Bank (MFTB) and Myanma Investment and Commercial Bank (MICB) shall obtain and submit a payment order valued in Myanmar kyats from these state-owned banks for the tax to be paid in foreign currency.
 - (b) If a foreign currency account has been opened at a private bank with an AD license, a foreign bank, a bank branch or a subsidiary bank, the foreign currency to be paid as tax shall not be converted to Myanmar kyats at private banks or foreign bank branches (so no payment order valued in Myanmar kyats shall be issued), but transferred to Myanma Economic Bank (MEB) in the same foreign currency.
5. If you have any questions regarding the above matter, you may contact the Taxpayer Service Division of the Medium Taxpayers Office 2 at phone number 09-880876654, and please be assured that we are very grateful for the cooperation of the taxpayers.

Taxpayer Service Division
Medium Taxpayers Office 2



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

Letter No. Pa Ta Kha/A La Kha-2/A Kha Ya (Mail)/2023 (109)

Date: 4 May 2023

About Lincoln Legal Services (Myanmar) Limited

Lincoln Legal Services (Myanmar) Limited provides the full range of legal and tax advisory and compliance work required by investors. We pride ourselves in offering result-oriented work, high dependability and a fast response time at very competitive prices. Please do not hesitate to contact us:

- Sebastian Pawlita, Managing Director
Phone: +95-9-262546284 (English)
E-Mail: sebastian@lincolnmyanmar.com
- Nyein Chan Zaw, Director
Phone: +95-9-790488268 (Myanmar)
E-Mail: nyeinchanzaw@lincolnmyanmar.com

Office address: La Pyi Wun Plaza, Room 409 (4th Floor), 37 Alan Pya Pagoda Road, Dagon Township, Yangon

Web: www.lincolnmyanmar.com