



**Dear Readers,**

Welcome to a new edition of our newsletter.

### **1. New tax regime for Myanmar nationals living abroad (including migrant workers)**

On 12 September 2023 (but apparently only made public recently), the State Administration Council (“SAC”) amended the Union Taxation Law 2023 with effect from 1 October 2023 ([English translation](#)) and introduced a new tax regime for the income of Myanmar nationals living abroad:

- The amendment specifically states that Myanmar income tax on income earned in foreign currency abroad by expat Myanmar nationals has to be paid in foreign currency.
- Income (apart from salary income) is subject to a flat tax of 10% (as previously).
- Foreign tax is credited (this may be new).
- Salary income is no longer tax exempt. Rather, it is subject to a 2% flat tax. Alternatively, if this yields a lower result, the Myanmar income tax is calculated “according to regulation 8 Income Tax Regulations,” which we understand to mean the following: The foreign currency income is, for calculation purposes, converted to MMK at the Central Bank rate, the income tax is then calculated based on the ordinary domestic allowances and the ordinary domestic tax rates for salary, and the tax amount thus arrived at is converted again (for calculation purposes) at the Central Bank rate to the foreign currency.

This comes in the wake of reports that the SAC has made it mandatory for Myanmar migrant workers to transfer 25% of their salary earned abroad to Myanmar through ordinary banking channels.

### **2. Clarification of the scope of services that are not subject to commercial tax**

On 4 September 2023, the Ministry of Planning and Finance under the SAC issued Notification 65/2023 which explains, for 25 types of services out of 34 listed as tax-exempt in the Union Taxation Law 2023, which activities are exempted from commercial tax in the eyes of the Ministry and which are not. An English translation of this notification is available [on our homepage](#).

Among others, services covered by this notification are goods transportation services, home removal, passenger transport by air, public passenger transport, education services, health



# LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

## NEWSLETTER 129 - 24 September 2023

services, animal health and care services, life insurance, microfinance, capital market services, financial services, customs clearance, CMP, and agricultural mechanisation services.

### 3. Constitution or reorganisation of various committees

The Myanmar Gazette dated 15 September 2023 carried news of the constitution or reorganisation of various committees, some of which are tasked with matters that may pertain to the business or interests of some of our readers or are otherwise noteworthy, in particular:

- **Central Body relating to the Myanmar Special Economic Zone(s) and Central Working Body relating to the Myanmar Special Economic Zone(s)** - we here used the appellations in the English translation of the Myanmar Special Economic Zone Law 2014 as provided on [mlis.gov.mm](http://mlis.gov.mm). Please note that the Thilawa SEZ Management Committee is a separate body and not covered;
- **Steering committee, Union-level working committee, and Nay Pyi Taw Council/regional and state working committees to develop a standard operating procedure (SOP) to deal with the use of agricultural land for non-agricultural purposes and to prevent the re-occurrence of negative aspects** (tasked with, among others, the development of proposals how to take action against the use of agricultural land without proper paperwork that has roots in the past);
- **Union Commodity Price Stabilisation Committee;**
- **Steering committee for building a national database system** (tasked with, among others, the establishment of policies for the establishment of an e-ID system);
- **Steering committee, working committee and working group to respond to the International Labour Organization (ILO) Commission of Inquiry for Myanmar** (tasked with, among others, “determining how relevant ministries and organisations may effectively respond with accurate information to the allegations,” providing guidance on future cooperation with the ILO including the ILO liaison office and bank account, providing guidance for a review, if necessary, of the Labour Organisation Law 2011 to counter the Myanmar Confederation of Trade Unions, and “arranging for measures to protect the Union’s economy”);
- **Central Committee for the Supervision and Care of Foreigners.** It should be noted that this appears to be the reiteration of a committee that dates back to 2016, to deal with an anticipated increase in the influx of foreigners, among them tourists. The text of this



notification is reproduced below in an English translation. Time permitting, we may make available translations of the other notifications in our next newsletters.

Republic of the Union of Myanmar  
State Administration Council  
Notification No. 154/2023  
1385, 2<sup>nd</sup> Waxing Day of the Wagaung  
(18 August 2023)

### Reorganisation of the Central Committee for the Supervision and Care of Foreigners

1. The Central Committee for Supervision and Care of Foreigners has been reorganised with the following persons so that, with regard to foreigners entering/exiting Myanmar for various reasons, the security of the Union may not be affected and protective care and supervision in accordance with the law may be provided:
  - (a) Chairman: Union Minister, Ministry of Home Affairs
  - (b) Member: Union Minister, Ministry of Immigration and Population
  - (c) Member: Union Minister, Ministry of Hotels and Tourism
  - (d) Member: Deputy Minister, Ministry of Defence
  - (e) Member: Deputy Minister, Ministry of Transport and Communications
  - (f) Member: Deputy Minister, Ministry of Planning and Finance
  - (g) Member: Deputy Minister, Ministry of Foreign Affairs
  - (h) Member: Deputy Minister, Ministry of Border Affairs
  - (i) Member: Deputy Minister and Deputy Attorney General, Ministry of Law
  - (j) Member: Deputy Minister, Ministry of Information



(k) Member: Permanent Secretary, Ministry of Investment and Foreign Economic Relations

(l) Member: Permanent Secretary, Ministry of Religion and Culture

(m) Member: Permanent Secretary, Ministry of Commerce

(n) Member: Permanent Secretary, Ministry of Education

(o) Member: Permanent Secretary, Ministry of Health

(p) Member: Permanent Secretary, Ministry of Social Welfare, Relief and Resettlement

(q) Member: Deputy Commissioner 2, Myanmar Police Force, Ministry of Home Affairs

(r) Secretary: Deputy Minister (assigned by the Chairman)

(s) Joint Secretary 1: Director General, Immigration Department, Ministry of Immigration and Population

(t) Joint Secretary 2: Commander, Special Branch, Myanmar Police Force, Ministry of Home Affairs

2. The duties of the Central Committee for the Supervision and Care of Foreigners are as follows:

(a) Establishing policies related to the supervision and care of foreigners;

(b) as required, establishing working committees for the supervision and care of foreigners and assigning their tasks;

(c) instructing the working committees on policies regarding the supervision and care of foreigners;

(d) proposing measures regarding the supervision and care of foreigners to the State Administration Council;



## LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

### NEWSLETTER 129 - 24 September 2023

- (e) timely drafting laws and directives regarding foreigners and submitting the drafts to a Union Cabinet meeting;
  - (f) convening coordination meetings to determine the progress of the working committees;
  - (g) for matters that have to be communicated internationally, exchange information obtained from the 24/7 Channel of the Myanmar Police Force.
3. Notification no. 33/2023 dated 14 February 2023 of the State Administration Council is repealed by this order.

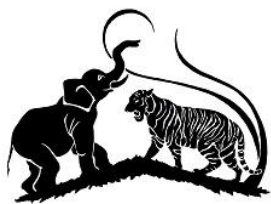
By order

Aung Lin Dwe  
Lieutenant General  
Secretary

We hope that you have found this information useful.

Sebastian Pawlita  
Managing Director

Nyein Chan Zaw  
Director



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NEWSLETTER 129 - 24 September 2023

### About Lincoln Legal Services (Myanmar) Limited

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