

LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

**Government of the Republic of the Union of Myanmar
State Administration Council
Union Taxation Law 2023
(State Administration Council Law No. 18/2023)
10th Waxing Day of Tagu, 1384
(30 March 2023)**

As amended by SAC Law 55/2023 dated 12 September 2023

The State Administration Council hereby enacts this Law in accordance with section 419 of the Constitution of the Republic of the Union of Myanmar.

Chapter 1

Name, effective date and definitions

1. (a) This law shall be called the Union Taxation Law 2023.
(b) This Law shall come into force from 1 April 2022.
2. The following expressions in this Law shall have the meanings given hereunder:
 - (a) **“Tax”** means tax, customs duty, fees, fees for licenses, fees for permits and fines collected by the Union Government for the Union according to this Law.
 - (b) **“Law”** means laws issued in relation to Taxes collected by the Union Government for the Union.
 - (c) **“Relevant Ministry”** means Ministries of the Union Government and the Nay Pyi Taw Council that are responsible for the collection of Taxes collected by the Union Government for the Union.
 - (d) **“Budget Law”** means the Union Budget Law and the Union Supplementary Budget Allocation Law which are issued annually.
 - (e) **“Tax Rate”** means the Tax rates prescribed at which Taxes are collected by the Union Government for the Union.

Chapter 2

Tax collection target

- 1 -



3. The Tax revenue of the Union as per the Union Budget Law is the original Tax collection target as per Schedule 1 of this Law for the relevant fiscal year.

Chapter 3

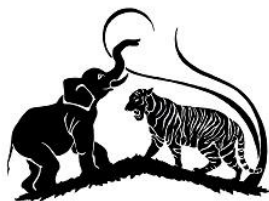
Setting Tax Rates and reporting

4. The Relevant Ministry shall, in relation to the types of Taxes as per this Law, collect the Tax targeted for collection at the Tax Rates as per this Law.
5. The State Administration Council may amend, supplement, and replace the Tax Rates under this Law.
6. (a) The Relevant Ministry shall report to the Budget and Accounts Department on a quarterly basis the collection status of Taxes of the Union originally targeted for collection as per Schedule 1 of this Law.
(b) The Budget and Accounts Department shall collect and review the Tax collection accounts sent by the Relevant Ministries and report to the Union Government through the Ministry of Planning and Finance on a quarterly basis.
7. The Ministry of Planning and Finance shall report to the State Administration Council every six months the collection status of Taxes of the Union originally targeted for collection as per Schedule 1 of this Law.

Chapter 4

Duties and powers of the Relevant Ministry

8. The Relevant Ministry shall be responsible managing and supervising the collection of the Taxes of the Union originally targeted for collection as per Schedule 1 of this Law.
9. The Relevant Ministry may, in relation to specific goods Tax, commercial Tax, income Tax and gemstone Tax, if required issue notifications, orders, directives and procedures according to this Law in order to enable clear understanding and compliance, without changing the original meaning.
10. The Relevant Ministry may, to ensure that taxpayers pay according to the Law, seek necessary information from the Chairman of the State Administration Council, the Prime Minister, the Union Government, the Supreme Court of the Union, the Constitutional Tribunal of the Union, the Union Election Commission, Union Ministries, the Attorney General of the Union, the Auditor General of the Union, the Union Civil Service Board, Nay Pyi Taw Council, the Central



Bank of Myanmar, Region or State Governments, the Leading Body of the Self-Administered Division, or the Leading Bodies of Self-Administered Zones.

Chapter 5 Specific Goods Tax

11. The types of specific goods subject to Tax and the Tax Rates according to section 6 Specific Goods Tax Law are as follows:

Types of specific goods and Tax Rates

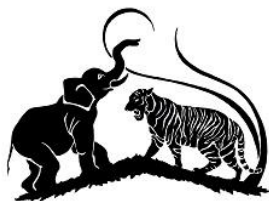
- (a) In relation to the specific goods shown in the table below, specific goods Tax shall be charged at the Tax Rates shown against them:

- (1) In case of domestically manufactured goods that are subject to Tax according to their price bracket, on the sales price ex factory, workshop or workplace, or the estimated sales price determined by the Director General of the Internal Revenue Department and the Management Committee of the Internal Revenue Department according to the market price, whichever is higher;
- (2) in case specific goods that are manufactured and sold domestically and not specified for taxation according to their price bracket, on the value determined by the Management Committee of the Internal Revenue Department.

Exception: However, the Management Committee of the Inland Revenue Department shall ensure that the value of similar specific goods is the same as the landed value so that domestically manufactured goods may compete with imported specific goods in the market.

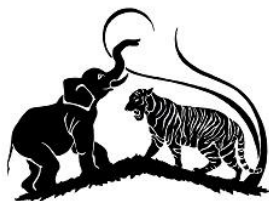
- (3) in case of an import into the Union, on the landed value.

Sr.	Type of specific goods	Price bracket	Tax Rate
1	(a) Various cigarettes	If the sales price is up to MMK 700 per pack of 20 cigarettes	MMK 10 per cigarette
	(b) Various cigarettes	If the sales price is from MMK 701 to MMK 900 per pack of 20 cigarettes	MMK 19 per cigarette
	(c) Various cigarettes	If the sales price is from	MMK 24



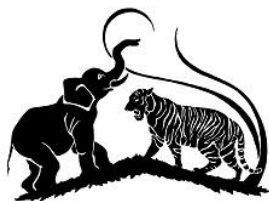
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Sr.	Type of specific goods	Price bracket	Tax Rate
		MMK 901 to MMK 1,100 per pack of 20 cigarettes	per cigarette
	(d) Various cigarettes	If the sales price is MMK 1,101 or higher per pack of 20 cigarettes	MMK 27 per cigarette
2	Tobacco		60%
3	Virginia composition		60%
4	Cheroots		MMK 1 per cheroot
5	Cigars		80%
6	Pipe tobacco		80%
7	Various types of betel chewing preparation		80%
8	(a) Various types of liquor	If the price per litre is from MMK 200 to MMK 1,400	MMK 109 per litre
	(b) Various types of liquor	If the price per litre is from MMK 1,401 to MMK 2,600	MMK 550 per litre
	(c) Various types of liquor	If the price per litre is from MMK 2,601 to MMK 4,100	MMK 940 per litre
	(d) Various types of liquor	If the price per litre is from MMK 4,101 to MMK 5,600	MMK 1,320 per litre
	(e) Various types of liquor	If the price per litre is from MMK 5,601 to MMK 7,000	MMK 1,760 per litre
	(f) Various types of liquor	If the price per litre is from MMK 7,001 to MMK 8,600	MMK 2,112 per litre
	(g) Various types of liquor	If the price per litre is from MMK 8,601 to MMK 10,100	MMK 2,508 per litre
	(h) Various types of liquor	If the price per litre is from MMK 10,101 to MMK 11,600	MMK 2,904 per litre
	(i) Various types of liquor	If the price per litre is from MMK 11,601 to MMK 13,100	MMK 3,300 per litre
	(j) Various types of liquor	If the price per litre is from MMK 13,101 to MMK 14,600	MMK 3,696 per litre
	(k) Various types of liquor	If the price per litre is from MMK 14,601 to MMK 16,250	MMK 4,092 per litre
	(l) Various types of liquor	If the price per litre is from MMK 16,251 to MMK 18,100	MMK 4,653 per litre
	(m) Various types of liquor	If the price per litre is from MMK 18,101 to MMK 19,850	MMK 5,070 per litre
	(n) Various types of	If the price per litre is MMK	60% of the



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Sr.	Type of specific goods	Price bracket	Tax Rate
	liquor	19,851 or higher	litre price
9	Various types of beer		60%
10	(a) Various types of wine	If the price per litre is from MMK 1 to MMK 850	MMK 92 per litre
	(b) Various types of wine	If the price per litre is from MMK 851 to MMK 1,600	MMK 280 per litre
	(c) Various types of wine	If the price per litre is from MMK 1,601 to MMK 2,350	MMK 465 per litre
	(d) Various types of wine	If the price per litre is from MMK 2,351 to MMK 3,100	MMK 653 per litre
	(e) Various types of wine	If the price per litre is from MMK 3,101 to MMK 3,850	MMK 839 per litre
	(f) Various types of wine	If the price per litre is from MMK 3,851 to MMK 4,600	MMK1,025 per litre
	(g) Various types of wine	If the price per litre is from MMK 4,601 to MMK 6,100	MMK 1,304 per litre
	(h) Various types of wine	If the price per litre is from MMK 6,101 to MMK 7,600	MMK 1,676 per litre
	(i) Various types of wine	If the price per litre is from MMK 7,601 to MMK 9,100	MMK 2,045 per litre
	(j) Various types of wine	If the price per litre is from MMK 9,101 to MMK 11,500	MMK 2,421 per litre
	(k) Various types of wine	If the price per litre is from MMK 11,501 to MMK 13,600	MMK 2,979 per litre
	(l) Various types of wine	If the price per litre is from MMK 13,601 to MMK 16,600	MMK 3,724 per litre
	(m) Various types of wine	If the price per litre is MMK 16,601 or higher	50% of the litre price
11	Different types of logs and timber		5%
12	(b) Vans, saloon cars, sedan cars, estate wagon cars and coupé cars if they have 1,500 to 2,000 CC, except pickup cars including double cab four door pickup cars, and except battery electric vehicles		10%



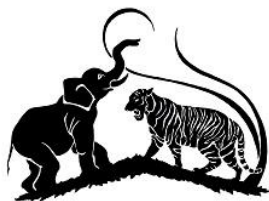
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Sr.	Type of specific goods	Price bracket	Tax Rate
	(BEV)		
	(c) Vans, saloon cars, sedan cars, estate wagon cars and coupé cars if they have 2,001 to 4,000 CC, except pickup cars including double cab four door pickup cars, and except battery electric vehicles (BEV)		30%
	(d) Vans, saloon cars, sedan cars, estate wagon cars and coupé cars if they have 4,001 and more CC, except pickup cars including double cab four door pickup cars, and except battery electric vehicles (BEV)		50%
13	Kerosene, petrol, diesel, jet fuel		5%
14	Natural gas		8%

- (b) An exporter of the following specific goods shall be liable to specific goods Tax on the sales proceeds at the Tax Rate shown against them. Apart from the listed specific goods, specific goods shall not be subject to specific goods Tax on export. From the specific goods Tax charged for the export of goods subject to specific goods Tax shall be deducted as prescribed the specific goods Tax paid at the time of the purchase, import or manufacture of the goods.

Sr. no.	Type of goods	Tax Rate
1	Different types of logs and timber	10%

- (c) If goods imported under the temporary admission or drawback systems according to customs procedures are used domestically without being re-exported within the



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specified period, the specific goods Tax from which the goods were originally exempted shall be paid.

12. Among the specific goods subject to Tax under this Law, specific goods Tax shall not be levied for the manufacture and sale of tobacco, cheroots and cigars manufactured and sold locally by the cooperative sector and the private sector, unless the total manufacture and sales proceeds in one year exceeds MMK 20,000,000.
13. The expressions used in chapter 5 of this Law shall have the same meanings as in the Specific Goods Tax Law.

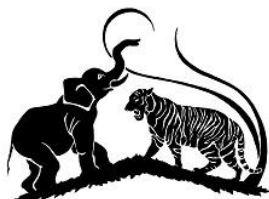
Chapter 6 Commercial Tax

14. The schedules attached to the Commercial Tax Law are enacted as follows according to section 6 Commercial Tax Law:

Schedules attached to the Commercial Tax Law

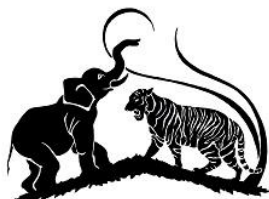
- (a) Commercial Tax shall not be levied in respect of the following goods:

Sr.	Name of the goods
Food products	
1	Paddy; rice; broken rice; rice bran; rice chaff; paddy husk; wheat; wheat bran; wheat chaff; corn; various kinds of corn kernels.
2	Various kinds of pulses; various kinds of split; various kinds of bean flower; bean bran; bean pods; unshelled peanuts; shelled peanuts; sesame; canola; peanut dregs; sesame dregs; cottonseed dregs; oil after grinding and bran oil such as rice bran oil.
3	Garlic; onions; potatoes; leaves, fruits, bark and seeds used as spices; masala; chilis; chili powder; turmeric; turmeric powder; ginger; ripe tamarinds; various kinds of salt.
4	Various kinds of fresh fruits; vegetables.
5	Pickled tea leaves; dried tea leaves; sweet dried tea leaves; various kinds of processed and packaged teas.
6	Fresh fish; fresh shrimps; fresh meat; various kinds of eggs such as chicken eggs and duck eggs.
7	Peanut oil; sesame oil.
8	Sugarcane; sugar; jaggery; brown slab sugar; soy milk; milk and various types of dairy products; condensed milk; evaporated milk; various kinds of milk powder;



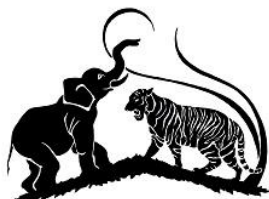
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Sr.	Name of the goods
	yogurt.
9	Creamer.
10	Various kinds of fish sauce; dried fish; various kinds of dried shrimps; pickled fish; various kinds of pickled shrimps; shrimp powder; fish powder; various kinds of fish paste.
Agricultural and livestock products	
11	Mulberry leaves; silk cocoons.
12	Living animals, fish, shrimps, land animals, aquatic animals and amphibians; their eggs, larvae, hatchlings and species; plants and seeds that grow in water; sprouts; algae and seaweeds.
13	Various kinds of fertilisers, including soil used in agriculture to make plants grow strong and bear fruits, and chemical fertilisers; various herbicides; various vaccines and pesticides to prevent agricultural diseases such as fungi, bacteria, nematodes and other diseases; various kinds of livestock sprays (not including household sprays, rodenticides); medicines and vaccines for animals, fish and shrimps (including medicines and vaccines certified by the Ministry of Agriculture, Livestock and Irrigation, and medicines recommended by the Livestock Breeding and Veterinary Department); raw materials for producing animal, fish and shrimp feed, and finished animal, fish and shrimp feed, if not used as pet food.
14	Oil palm and sunflower seeds; cotton seeds; pumpkin seeds; watermelon seeds; cashew nuts, betel nuts; betel nut shells; pure strains, pure seeds and pure saplings of crops.
15	Raw cotton; various kinds of cotton; cardamom; thanaka and farm and garden produce not elsewhere specified; coconut oil (not palm oil).
16	Coir yarn.
17	Wood; bamboo; raw and finished rattan; briquettes from organic materials substituting firewood.
School and office supplies	
18	Lac; various kinds of stamps (including revenue stamps).
19	National flag.
20	Slates; slate pencils; chalk; graphite to make pencils.
21	Various kinds of textbooks; various kinds of scientific and technical books which can be used in various basic schools, universities and colleges; various kinds of exercise books and drawing books; various kinds of non-fiction books; various kinds of magazines, journals and newspapers; paper to produce these books (from 40 gsm to 80 gsm only); various kinds of pencils; various kinds of rulers;



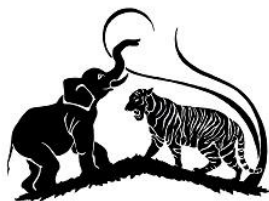
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Sr.	Name of the goods
	various kinds of rubbers; various kinds of sharpeners.
Goods related to health	
22	Traditional medicine.
23	Various kinds of mosquito repellents.
24	Honey; beeswax.
25	X-ray films; x-ray equipment and accessories; medical equipment and instruments specified by the Food and Drug Administration Department; cotton wool; medical wear; bandages; articles used in hospitals to take medicine; disposable face masks, hair covers and surgical gloves for hospital use; nose masks to prevent the spread of influenza; pharmaceuticals for household use, various kinds of other pharmaceuticals for humans and various kinds of traditional medicine (pharmaceuticals and pharmaceutical raw materials with an FDA registration certificate, including raw materials for traditional medicine, except for pharmaceuticals restricted by law and rules).
26	Condoms.
Goods for religion and welfare	
27	Various kinds of prayer beads (excluding prayer beads made from precious stones); religious clothes.
28	Fire engines; search and rescue vehicles; hearses.
Goods related to transportation	
29	Fuel sold by the Ministry of Energy to foreign embassies, UN organisations and foreign diplomats
30	Jet fuel sold for use for domestic and international flights.
31	Machine, machinery and equipment and the spare parts thereof for planes and helicopters
Industrial goods	
32	Bleach (only hypochlorite used for bleaching), raw materials for making washing powder; raw materials for making soap; sand soap
33	Jute and other fibers, latex, gum sterculia (also known as gum karaya).
34	Farm equipment; farm machinery and spare parts; tractors; machines, machinery and spare parts (except vehicles that have to be registered under the Motor Vehicle Law) for everything from plowing the land to harvesting, threshing and drying crops, either powered by machines alone or together with human or animal labour; seminal fluid, semen and ova used for hybrid breeding (equipment for embryo and artificial insemination business, including frozen seminal fluid).



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Sr.	Name of the goods
35	PV module / solar module / PV panel / solar panel / solar panel 92 watt CIGS (copper indium gallium selenide); PV / solar (hybrid / smart array) controller, charge controller for PV /solar; PV / solar Inverter (string / hybrid / battery / bidirectional / central; home installation models (roof and ground mounted) [PV / solar mounted structure, solar / PV mounted frames, solar PV mounted kits (roof and ground mounted); PV / Solar mounted system (floating); PV / solar controller and battery box) (only for importing together with PV / Solar controller and battery).
36	Battery electric tricycles; battery electric vehicles (BEV), including two-wheelers; their batteries; accessories used exclusively for battery electric vehicles.
37	Goods sent by the foreign principal to be directly used as raw materials or parts for the production of finished goods under the contract manufacturing system; goods used for packing the finished goods to be shipped; imported machines, machinery, equipment and their spare parts that are not to be resold, but used for their business needs by businesses that operate under the contract manufacturing system.
Goods related to defence	
38	Weapons, vehicles, equipment, tools and their spare parts and accessories used by the national defence and security organisations; various kinds of gunpowder and various kinds of dynamite and related substances used by civil departments (only the type of items that are imported with the permission of the Office of the Commander-in-Chief (Army)); goods purchased from the budget allocated to the Ministry of Defence for use by the military and the consumption by military personnel.
Gemstones and minerals	
39	Pure gold; gold bars (standard gold bars, gold blocks, gold coins); jade, rubies, sapphires and gemstones and finished products thereof sold at Myanmar gemstone fairs organised by the Union Government.
40	Crude oil dregs.
General goods	
41	Goods sold at designated locations to passengers departing to a destination abroad.
42	Goods covered by the principle of reciprocity that are to be used by foreign embassies that apply the principle of reciprocity or by members and non-diplomatic embassy staff of these embassies, as proposed by the Ministry of Foreign Affairs with the approval of the Union Government and approved by the

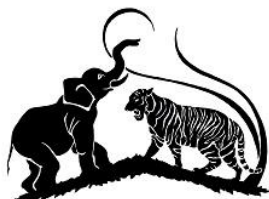


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Sr.	Name of the goods
	Ministry of Planning and Finance by notification.
43	Goods purchased domestically or abroad by local UN organisations in the name of the organisation.
44	Goods purchased with money donated to the state by local or foreign organisations or with money provided by the state.
45	Goods which are exempted by notification of the Union Government with the approval of the State Administration Council, as per the needs of the state.
46	Goods imported under the temporary admission or drawback systems in accordance with customs procedures.

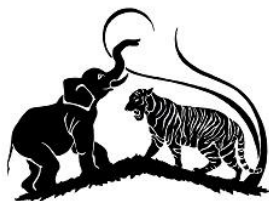
- (b) If, except for goods specified in sub-section (a), goods are manufactured and sold domestically, 5% commercial Tax shall be levied on the sales proceeds, and if they are imported, on the landed costs. If specific goods referred to in section 11 of this Law are manufactured and sold domestically, 5% commercial Tax shall be levied on the sales proceeds including the specific goods Tax, and if they are imported, on the landed costs including the specific goods Tax.
- (c) 5% commercial Tax shall be levied on the sales proceeds of any person carrying out the following activities, including specific goods according to section 11, except when carrying on trade in goods exempted in accordance with this Law:
- (1) Importing goods and reselling them locally;
 - (2) trading.
- (d) The following services shall not be subject to commercial Tax:

Sr.	Service type
Foreign sector	
1	Services covered by the principle of reciprocity that are procured by foreign embassies that apply the principle of reciprocity or by members and non-diplomatic embassy staff of these embassies, as proposed by the Ministry of Foreign Affairs with the approval of the Union Government and approved by the Ministry of Planning and Finance by notification.
2	Services procured domestically by local UN organisations in the name of the organisation.
Defence sector	
3	Printing services of the security-related printing business of the Ministry of



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Sr.	Service type
	Defence.
Religious and cultural sector	
4	Culture and art services.
Transport and communication sector	
5	Parking space rental services.
6	Goods transportation services (transportation by train, motor vehicles, ships, aircraft and cranes, except transportation by pipeline).
7	Home relocation services.
8	Road user fee collection services.
9	Services that consist in transporting passengers on a domestic or international flight for a fee.
10	Public passenger transportation services.
11	Postal services operated by the government.
Education and information sector	
12	Education services.
13	Services consisting in the publication of books, magazines, periodicals and newspapers.
Health sector	
14	Health services other than cosmetics.
15	Traditional massage services; massage services performed by a blind person.
16	Animal health and care services.
17	Services consisting in collecting the fees for using public toilets.
Planning and finance sector	
18	Life insurance services.
19	Microfinance services.
20	Capital market services.
21	Financial services carried out by a bank and with the approval of the Central Bank.
22	Customs services.
23	Aung Bar Lay lottery services.
Social welfare, relief and resettlement sector	
24	Services consisting in letting equipment for reception and catering.
25	Funeral services.
26	Child care services.
Industrial and electricity sector	
27	Services provided in a system where raw materials are provided and finished goods are returned.



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Sr.	Service type
28	Agricultural mechanisation services.
29	Private small-scale electricity services providing electricity generation and distribution in areas that are not connected to the national grid.
30	Battery charging services for battery electric vehicles.
General section	
31	License fee paid to a state organisation for the right to operate a business.
32	Services which are exempted by notification of the Union Government with the approval of the State Administration Council, as per the needs of the state.
33	Services procured with money donated to the state by local or foreign organisations or with money provided by the state.
34	Services provided between organisations by the Office of State Administration Council, the Union Government Office, the Pyidaungsu Hluttaw Office, the Pyithu Hluttaw Office, the Amyotha Hluttaw Office, the Supreme Court of the Union, the Constitutional Tribunal of the Union, the Union Election Commission Office, Union Ministries, the Office of the Auditor General of the Union, the Union Civil Service Board Office, the Nay Pyi Taw Council Office, the Central Bank of Myanmar, the Social Security Board, a Region or State Government Office, and departments (excluding services provided to state-owned enterprises and services procured from state-owned enterprises).

- (e) 5% commercial Tax shall be levied on the revenue from services performed locally, except from services in sub-section (d) and sub-section (e1).
- (e1) (1) Irrespective of what is provided in the Commercial Tax Law, a one-time commercial Tax of MMK 20,000 per SIM card shall be levied on the sale of one SIM card and the service provided to activate it.
- (2) 15% commercial Tax shall be levied on revenue from internet services.
- (f) 3% commercial Tax shall be levied on the sale proceeds from the construction, repair and sale of infrastructure achieved by any person through a long-term lease of state-owned land, or through a joint venture with the state, or through *[the use of]* private land, or through a joint venture with a private land owner.
- (g) 3% commercial Tax shall be levied on revenue from hotel and tourism services.
- (h) 1% commercial Tax shall be levied on the sales proceeds from the sale of gold or jewellery or on the landed costs in case of imports from abroad. However, the



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commercial Tax paid when buying gold or jewellery domestically or importing it from abroad shall not be set off with the commercial Tax payable when selling domestically or exporting.

- (i) If goods imported under the temporary admission or drawback systems according to customs procedures are used domestically without being re-exported within the specified period, the commercial Tax from which the goods were originally exempted shall be paid.
15. (a) The Ministry of Planning and Finance may grant exemptions from or allowances with regard to commercial Tax with the approval of the Union Government for the commercial Tax related to activities carried out with donations, grants and loans from domestic and foreign organisations.
- (b) No commercial Tax shall be levied under the Commercial Tax Law in the cooperative and the private sector unless the sales proceeds and service revenue are higher than the following:
- (1) Sales proceeds of MMK 50,000,000 in total in a financial year from the domestic manufacture and sale of goods subject to commercial Tax;
 - (2) service revenue of MMK 500,000,000 in total in a financial year from providing services subject to commercial Tax;
 - (3) sales proceeds of MMK 500,000,000 in total in a financial year from trading;
 - (4) the de-minimis value threshold of the Customs Department, which may exempt goods from customs duty if they require expedited delivery in accordance with customs procedure standards;

Explanation: (1) The sales proceeds and service revenue of in total MMK 50,000,000 refer to the sales proceeds and the service revenue to be received within the next consecutive 12 months, including the month in which the business started.

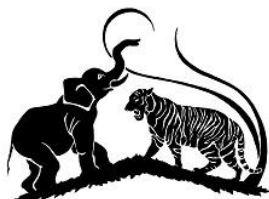
- (2) Irrespective of anything provided in the Commercial Tax Law, regarding registration, any person who has taxable sales proceeds or who wants to benefit from setting off commercial Tax shall register.



16. Any person who, according to this law manufactures and sells any kinds of goods subject to commercial Tax, or performs any services subject to commercial Tax, and receives foreign currency therefrom, shall calculate the commercial Tax on the foreign currency sales proceeds and service revenue as per the relevant Tax Rates under this law, and pay the commercial Tax in MMK according to the Commercial Tax Regulations.
17. (a) 8% commercial Tax shall be levied on the export of electricity, and 5% commercial Tax on the export of crude oil.
- (b) Except for the goods in sub-section (a), 0% commercial Tax shall be levied on the sales proceeds from the export of goods. Commercial Tax paid when purchasing or manufacturing the goods may be set off as prescribed from the commercial Tax due when exporting. Irrespective of what is provided in the Commercial Tax Regulations, regarding the export of goods, a refund may be demanded if the commercial Tax due when exporting is less than the commercial Tax paid when purchasing or manufacturing the goods. However, this shall not apply to goods purchased locally for personal use and taken abroad.
- (c) The provisions of this section shall not apply to the determination of the amount of the sales proceeds and service revenue which are not taxable.
18. The expressions used in chapter 6 of this Law shall have the same meanings as in the Commercial Tax Law.

Chapter 7 Income Tax

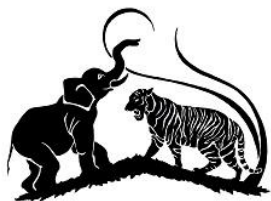
19. (a) No income Tax shall be levied from anyone who earns up to MMK 4,800,000 from salary in one year. Upon request, the Department of Internal Revenue shall issue as required evidence of salary income that is exempted.
- (b) However, if a person earns more than MMK 4,800,000 from salary in one year, he shall pay income Tax on the total salary income.
- (c) In order to encourage and promote the recovery of businesses and investments that have been delayed due to the Covid-19 (Coronavirus Disease 2019) pandemic, if a person earns income from salary in excess of MMK 4,800,000 in one year or the income is from profession, business and other sources, the Tax Rates to be imposed shall be as follows for each bracket of the remaining income after deducting the allowances under sections 6 and 6A Income Tax Law from the total income of a person:



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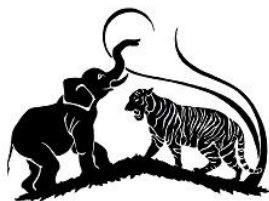
Sr.	Income bracket subject to income Tax		Income Tax Rate to be applied
	From	To	
	MMK	MMK	
1	1	2,000,000	0%
2	2,000,001	10,000,000	5%
3	10,000,001	30,000,000	10%
4	30,000,001	50,000,000	15%
5	50,000,001	70,000,000	20%
6	70,000,001 and above		25%

- (d) Irrespective of anything contained in the Income Tax Law, a person shall be separately subject to 10% income Tax on the remaining income after deducting the allowances under sections 6 and 6A Income Tax Law from the total rental income received from renting out land, buildings and apartments. No assessment shall be made in conjunction with other incomes. However, in case of state-owned enterprises, activities carried out with a permit from the Myanmar Investment Commission, companies and cooperative societies, income Tax shall be levied at the specific Tax Rates for the type of taxpayer.
- (e) In case of partnerships, income Tax shall be levied at the Tax Rates shown in the table in sub-section (c) on the remaining income after deducting the allowances according to sections 6 and 6A Income Tax Law.
- (f) The Tax Rates in this section shall not apply to taxpayers who are subject to a specific Tax Rate in respect of any individual or class of income.
20. The basic allowance under section 6(a)(1) and (2) Income Tax Law equivalent to 20% of the income for each head of income. However, the basic allowance may not exceed MMK 10,000,000 in total in one year.
21. The allowances granted under section 6(a)(1) Income Tax Law are as follows:
- (a) MMK 1,000,000 for each parent with whom the taxpayer lives together;
 - (b) MMK 1,000,000 for a spouse;
 - (c) MMK 500,000 for each child.
22. *[From 1 October 2023:]*



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- (a) 10% income Tax shall be levied in the type of foreign currency received on the total income from among the income heads in section 8(a) Income Tax Law, except salary, that is earned abroad in foreign currency by a non-resident citizen, without deducting the allowances according to sections 6 and 6A Income Tax Law.
 - (b) Irrespective of what is provided in the Income Tax Rules, income Tax shall be levied in the type of foreign currency received, according to the one method of the two below that yields the lower result, on the total salary income earned abroad in foreign currency by a non-resident citizen:
 - (1) Tax is calculated and levied according to the provisions of regulation 8 Income Tax Regulations with the Tax Rate in section 19(c), after deducting the allowances according to section 6 Income Tax Law;
 - (2) Tax is calculated and levied at 2%, without deducting the allowances according to sections 6 and 6A Income Tax Law.
 - (c) Tax which had to be paid abroad, calculated according to the type of income, shall be credited against the Tax calculated according to this section.
23. In order to encourage and promote the recovery of businesses and investments that have been delayed by the Covid-19 (Coronavirus Disease 2019) pandemic:
- (a) In respect of the following taxpayers, 22% income Tax shall be levied on the total net income without deducting the allowances according to sections 6 and 6A Income Tax Law:
 - (1) Companies registered and established in Myanmar under the Myanmar Companies Law or the Special Companies Act, 1950;
 - (2) the income of non-resident foreigners, except income from salary;
 - (3) a business conducted with a permit from the Myanmar Investment Commission;
 - (4) state-owned enterprises.
 - (b) 22% income Tax shall be levied on the net income of cooperative societies, except basic cooperative societies, after deducting the allowances according to sections 6 and 6A Income Tax Law.
 - (c) 17% income Tax shall be levied on the total net income of public companies listed at the Yangon Stock Exchange, without deducting allowances according to section 6 Income



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Tax Law. Furthermore, if these companies failed to pay income Tax in full in the past, they shall identify the full income for the last two financial years before the financial year in which they were listed on the Yangon Stock Exchange, and pay the income Tax due, and if they pay the income Tax in full, they shall be exempted from fines and prosecution under the Tax Administration Law.

24. (a) Associations of persons engaged in the oil and natural gas exploration and production sector of Myanmar shall be subject to 25% income Tax on the total net income without deducting the allowances under section 6 of the Income Tax Law.
- (b) The allowances under sections 6 and 6A Income Tax Law shall not be deducted in case of a non-resident foreigner. Income Tax shall be levied according to the Tax Rates in section 19(c) of this Law on the total income if the income is from the salary head.
25. (a) 30% income Tax shall be levied on income that escaped assessment without deducting the allowances under sections 6 and 6A Income Tax Law. However, in order to promote and encourage the recovery of businesses and investments that have been delayed due to the Covid-19 (Coronavirus Disease 2019) pandemic, if a citizen can show the source of some of the income that he used to purchase, construct and acquire capital assets, establish a new business and expand an existing business, income Tax shall be levied according to the Tax Rates below on the remaining income that escaped assessment after deducting this income, and on the total income that he used if he cannot show its source. There is no need to pay income Tax if the citizen can precisely show the source of income for all income used. Taxation under this section shall not apply to the possession and sale of illegally obtained goods and to cases where action is taken under the Anti-Money Laundering Law.

Sr.	Income (MMK)		Income Tax Rate
	From	To	
1	1	300,000,000	3%
2	300,000,001	600,000,000	5%
3	600,000,001	1,000,000,000	10%
4	1,000,001	3,000,000,000	15%
5	3,000,000,001 and above		30%

- (b) Income that escaped assessment in sub-section (a) means income that escaped assessment before 1 April 2024.



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- (c) The Tax Rates in sub-section (a) shall be effective only from 1 April 2023 to 31 March 2024.
- (d) If, considering the state's economic situation and international impact, the Ministry of Planning and Finance needs to amend the Tax Rates in sub-section (a), it shall submit them to the State Administration Council through the Union Government.
26. Income Tax shall be levied at the Tax Rates in section 19(c) of this Law on the remaining net income of basic cooperative societies registered under the Cooperative Societies Law after deducting the allowances according to sections 6 and 6A Income Tax Law.
27. If a capital gain is made from the sale, exchange or transfer by other means of one or more than one capital assets, no allowances according to sections 6 and 6A Income Tax Law shall be deducted from such capital gain in MMK or foreign currency, and:
- (a) if the company is engaged in the oil and natural gas exploration and production sector of Myanmar, income Tax shall be levied on the type of currency received according to the Tax Rates shown below against the capital gain:
- | | Capital gain | Income Tax Rate to be paid |
|-----|--|-----------------------------------|
| (1) | Up to the equivalent of MMK 100 billion | 40% |
| (2) | From more than the equivalent of MMK 100 billion up to the equivalent of MMK 150 billion | 45% |
| (3) | Above the equivalent of MMK 150 billion | 50% |
- (b) 10% income Tax shall be levied on the capital gain in MMK or foreign currency made by individuals or association of persons except companies engaging in the oil and natural gas exploration and production sector of Myanmar. In case of a non-resident foreigner, the Tax due shall be paid in the currency received.
- (c) If the value of a capital asset or more than one capital assets that are sold, exchanged or transferred by other means within one year does not exceed MMK 10,000,000 in total, the capital gain (if any) shall not be subject to income Tax.
- (d) Irrespective of what is provided in the Income Tax Law, the annual net income up to MMK 15,000,000 of newly established micro-, small- and medium-sized businesses based on local production, home industries, or small-scale industries is exempted from income Tax for three consecutive years, including the year in which the business started.



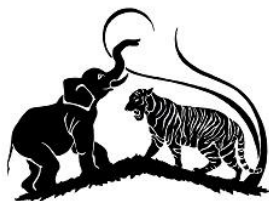
If more than the aforementioned income is earned, income Tax shall only be levied on the income in excess.

- (e) Income in foreign currency under all heads except the capital gains head shall be calculated in accordance with regulation 8 Income Tax Regulations, and the income Tax shall be paid in MMK in case of a resident citizen and a resident foreigner and in the type of currency received in case of a non-resident foreigner.
31. (a) Any of the following income or types of income are exempted from income Tax:
- (1) The total income earned under the Narcotic Drugs and Psychotropic Substances Law reward programme for arrests, irrespective of whether a reward is received once or more than once during the year;
 - (2) the total income earned under a reward programme for the seizure of illegal *[i.e., smuggled]* goods, irrespective of whether the reward is received once or more than once during the year;
 - (3) awarded money received together with medals bestowed by the state;
 - (4) *[Deleted w.e.f. 1 October 2023];*
 - (5) lottery wins from the Aung Bar Lay state lottery;
 - (6) pension, money received when a pension is converted, and gratuities *[literally, "seniority bonus"]*, all received when a civil servant retires;
 - (7) rewards from the state for the discovery of antiques.
- (b) The Ministry of Planning and Finance may, with the approval of the Union Government, grant exemptions from or allowances with regard to income Tax for the following matters:
- (1) Income Tax matters related to activities carried out with money donated or provided as a grant by local or foreign organisations to the state;
 - (2) income Tax matters related to the development of the stock market;
32. The expressions used in chapter 7 of this Law shall have the same meanings as in the Income Tax Law.

Chapter 8

Gemstone Tax

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33. If the gemstones listed below are sold, gemstone Tax shall be paid as per section 38 Myanmar Gemstone Law according to the Tax Rate shown next to them, based on the actual sales price or based on the sales price set by Myanma Gems Enterprise according to the actual sales price, whichever is higher. The collected gemstone Tax shall be transferred to the relevant bank account of the Internal Revenue Department.

Sr. no.	Type of gemstone	Tax Rate
1	Uncut jade.	11%
2	Uncut rubies, sapphires and other precious stones	9%
3	Cut jade, rubies, sapphires and other precious stones; finished jewellery with jade, rubies, sapphires and other precious stones.	5%
4	Items made of gemstones.	5%

Chapter 9 Other Tax Rates

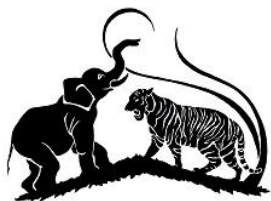
34. The Relevant Ministries shall manage for any of the following Taxes the Rates to be charged, exemptions and allowances:
- (a) Excise duty;
 - (b) license fees and permit fees for imports;
 - (c) Myanmar Aung Bar Lay lottery;
 - (d) fees for vehicles, driving licenses, business licenses;
 - (e) court fees and stamp duty;
 - (f) license fees for tourism licenses, hotel and guesthouse licenses, tour guide licenses;
 - (g) fees received from services regarding investment activities and company registration;
 - (h) customs duty;
 - (i) Taxes collected on land;
 - (j) water Tax;
 - (k) embankment Tax;
 - (l) forest Tax collected for extracting materials from forests;



- (m) Taxes collected for extracting minerals (excluding industrial raw minerals and decorative stones);
- (n) fisheries Tax;
- (o) Taxes collected for extracting oil and natural gas;
- (p) mineral Tax and mining Tax;
- (q) Taxes collected on telecommunication services;
- (r) electricity charges for profiting from electricity from hydropower sources;
- (s) Taxes collected from those who have the right to use vacant, fallow and virgin land.

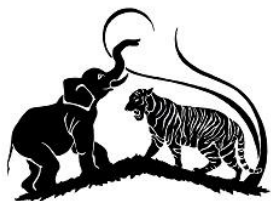
Chapter 10 Miscellaneous

- 35. The Union Government shall, by notification, form a supporting team for Tax collection.
- 36. The Union Government shall, in order to enable locally manufactured goods to compete in the market with imported goods, and in order to promote the long-term interests of local agriculture and livestock industries which depend mainly on local manufacturing activities, and of local and foreign investment activities carried out within the state, do the following without contravening international agreements signed by the state:
 - (a) With regard to the quantity of goods allowed to be imported and tariffs, making efforts to obtain the maximum rights and concessions on par with ASEAN countries within the framework of the World Trade Organization, the World Customs Organization, and the ASEAN free trade agreements;
 - (b) taking necessary measures in accordance with the provisions of the Tariff Law and the provisions of the procedures for allowing imports and exports and setting quota.
- 37. The Union Government may, with the approval of the State Administration Council, grant by notification exemptions from and allowances with regard to income Tax, commercial Tax, specific goods Tax and gemstone Tax.
- 38. (a) The Internal Revenue Department shall inform the public about Tax exemptions and allowances that eligible taxpayers may enjoy in accordance with the law, calculate Taxes in accordance with the allowances when collecting them, and acknowledge Tax officers and taxpayers who fulfill their Tax-related duties and consider appropriate rewards.



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- (b) The Ministry of Planning and Finance may, with the consent of the Union Government, allocate in accordance with financial procedures ordinary expenses of the Internal Revenue Department in the Union Budget Law in order to implement activities according to sub-section (a) so as to effectively reform taxation.
 - (c) The Ministry of Planning and Finance may use expenses in sub-section (b) in accordance with financial procedures to reward civil servants who perform Tax collection duties.
39. 20% of the fines shown below collected for the possession of specific goods for which no Tax was paid shall be awarded to those who provide information and 30% to those who find and arrest. The informer shall not be identified except in a government case.
- (a) In relation to goods that must be sold with a Tax seal affixed, the fines imposed according to section 22(c) and (f) Specific Goods Tax Law on the person who possesses the specific good for which no Tax was paid and the manufacturer of the specific good who failed to affix the specified Tax seal.
 - (b) In relation to the remaining specific goods, the fine imposed on according to section 22(c) Specific Goods Tax Law on the person who possesses the specific good for which no Tax was paid.
40. (a) Irrespective of what is provided in section 21(f) Commercial Tax Law, if the head of the Township Revenue Department finds that a receipt or evidence of receipt of money is being kept and not given to the customer or service recipient, or that a receipt was given without the Tax seal which would have had to be affixed as per the Commercial Tax Regulations according to the specified Tax base, a fine of 100% of the Tax due on the value shown in the receipt or evidence of the receipt shall be paid in addition to the Tax due, and the following amounts shall be paid as fine according to the frequency of the failures:
- (1) MMK 1,000,000 for the first failure;
 - (2) MMK 2,000,000 for the second failure;
 - (3) MMK 3,000,000 for the third failure;
 - (4) MMK 6,000,000 for more than three failures.
- (b) In relation to goods that must be sold with a Tax seal affixed, if the head of the Township Revenue Department finds that goods are being sold without the specified



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Tax seal being affixed, the person in possession of the goods without Tax seal shall pay 100% of the value of the goods as a fine.

41. The Union Government may issue a notification on giving rewards in relation to the fines specified below:
 - (a) Fines imposed under section 40(a) of this Law for failure to issue a receipt or evidence of receipt to the customer or service recipient, or for issuing a receipt without affixing a Tax seal equivalent to the Tax amount due, irrespective of what is provided in the Commercial Tax Law;
 - (b) fines imposed under section 40(b) of this Law for a sale without a Tax seal affixed as prescribed in respect of goods which are designated for sale with a Tax seal affixed.
42. Irrespective of what is provided in the relevant law for the change of the fiscal year, the Relevant Ministry may issue procedures required for the smooth operation of Tax collection activities during the transition period.
43. The notifications, orders, directives, procedures, interpretation statements, practice statements, public rulings, etc. issued in relation to the Union Taxation Law as annually enacted may continue to be applied as long as they do not conflict with this Law.

I hereby sign in accordance with section 419 of the Constitution of the Republic of the Republic of Myanmar.

(Signed)
Min Aung Hlaing
Senior General
Chairman
State Administration Council

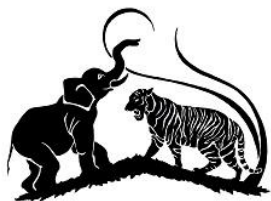
Schedule [Omitted]

About Lincoln Legal Services (Myanmar) Limited

Lincoln Legal Services (Myanmar) Limited provides the full range of legal and tax advisory and

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