

LINCOLN CONSULTANCY (MYANMAR) LIMITED

NEWSLETTER 226 - 16 March 2026

Dear Readers,

Welcome to a new edition of our newsletter.

Union Taxation Law 2026 removes exemptions for electric vehicles

The National Defence and Security Council decreed the Union Taxation Law 2026 ([English translation](#)) on 15 March 2026 (Law 18/2026). It will enter into force on 1 April 2026.

The Union Taxation Law has been issued annually since 2014 for the coming financial year.

This time, the important changes are as follows:

1. Exemptions for electric vehicles removed

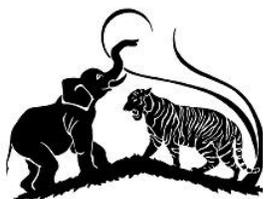
From 1 April 2026, exemptions from specific goods tax and commercial tax for electric vehicles no longer apply.

The import from abroad and the domestic production and sale of battery electric passenger vehicles will be subject to specific goods tax of 5% of the landed value or sales price. This is still lower than the specific goods tax rate for vehicles with a combustion engine, as shown in the table below:

Sr.	Vehicle type	Specific goods tax rate from 1 April 2026
1	Battery electric passenger vehicles	5%
2	Vans, saloon cars, sedan cars, estate wagon cars and coupé cars (except pickup cars including double cab four door pickup cars) if they have...	
	(a) ... 1,500 to 2,000 CC	10%
	(b) ... 2,001 to 4,000 CC	30%
	(c) ... more than 4,000 CC	50%

Furthermore, the 2026 law removed the commercial tax exemption that previously applied to “battery electric tricycles; battery electric vehicles (BEV), including two-wheelers; their batteries; accessories used exclusively for battery electric vehicles.”

The import and the domestic sale of these items will, from 1 April 2026, be subject to 5% commercial tax, in addition to the specific goods tax that will apply to battery electric passenger



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vehicles. The tax base is the landed value or the sales price (including the specific goods tax, if any).

2. Higher income tax allowance for newly established small businesses

According to section 29 of the 2026 law, “the annual net income up to MMK 20,000,000 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.”

Previously, the allowance was MMK 15,000,000.

3. Specific goods tax changes for cigarettes, cheroots, liquor and wine

As is the case every year, the 2026 law changed the specific goods tax value brackets and rates for cigarettes, cheroots, liquor and wine.

We hope that you have found this information useful.

Sebastian Pawlita
Managing Director



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About Lincoln Consultancy (Myanmar) Limited

Lincoln Consultancy (Myanmar) Limited provides the full range of legal advisory (through our local lawyers), 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:

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