



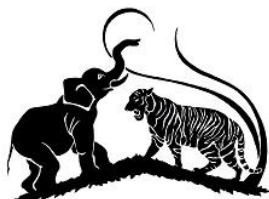
LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

\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. 47/2018
1380, 6th Waxing Day of First Waso
(18 June 2018)

1. Exercising the powers conferred by section 16 (b) Income Tax Law and with the approval of the Union Government, the Ministry of Planning and Finance hereby announces and prescribes that the person responsible for disbursing payment shall, at the time of the disbursement, withhold and remit the applicable income tax at the percentages shown alongside the following payment types, except for payments under the salary head:

Sr	Payment type	Percentage to be deducted for tax from the disbursed amount	
		For resident citizens and resident foreigners	For non-resident foreigners
(a)	Interest payments	-	15%
(b)	Payment for the permission to use granted by a license or the permission to use a trademark or intellectual property right		
(c)	Payments made by Union-level organisations, Union ministries, the Nay Pyi Taw Council, Regional/State governments, state-owned enterprises, and municipal development committees for the purchase of goods, execution of works, and provision of services within the country through a tender system or auction system or competitive bidding system or contract or agreement or any other system	2%	2.5%
(d)	Payments made by business ventures with the state, partnerships, joint ventures, companies, organisations formed by a group of individuals, organisations or	-	2.5%



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Sr	Payment type	Percentage to be deducted for tax from the disbursed amount	
		For resident citizens and resident foreigners	For non-resident foreigners
	associations registered and established under any law in force, cooperative societies and foreign companies, and foreign-owned businesses for the purchase of goods, execution of works, and provision of services within the country through a contract or agreement or any other system		

- When remitting the tax withheld at the percentage specified in paragraph 1, the remittance shall be made to the bank account of the relevant tax office in the name of the person receiving the payment or the name of the business.
- Among the payments referred to in para. 1, the tax withheld and remitted from a payment made to a non-resident foreigner shall be considered as income tax of the non-resident foreigner paid after a final assessment. However, if an assessment is made according to the Income Tax Law of a business carried out in the country as a branch office of the non-resident foreigner, the tax withheld and remitted shall be offset against the tax due according to the assessment. Likewise, the tax withheld from a payment made to a resident citizen and a resident foreigner shall be offset against the tax due after an assessment.
- If a non-resident foreigner presents a Certificate of Resident *[sic]* from the relevant country's internal revenue service stating that he is a resident of a country that has signed an Agreement for Avoidance of Double Taxation and Prevention of Fiscal Evasion with Myanmar, the amount to be withheld and remitted for income tax from the amount to be paid to this person shall be withheld and remitted at the percentage specified in the agreement signed with the relevant country.
- When withholding and remitting tax from payments under item (c) of the table in para. 1, no tax is required to be withheld and remitted if the total payment within 1 year does not exceed MMK 1,000,000. If the total payment exceeds MMK 1,000,000, a withholding and remittance shall be made. If payment is made to a non-resident foreigner, the specified percentages shall be remitted from the entire payment.
- Provided that:



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- (a) No withholding and remittance shall be made at the time of disbursement from payments between organisations in item (c) of the above para. 1 or to such organisations.
 - (b) Regarding interest payments among the payments in the table in para. 1 above, if a branch office of a non-resident foreigner is registered and established within the country and the branch office is subject to domestic assessment in relation to domestic income, no income tax shall be withheld and remitted from the source at the time of disbursement of the payments.
 - (c) The payer shall not be exempted from the obligation to withhold and remit income tax due to the recipient's refusal to agree to the withholding and remittance of income tax from the source.
7. With the consent of the Union Government and the Ministry of Planning and Finance, the Director General of the Internal Revenue Department may:
 - (a) if necessary, determine for any type of payment that no withholding and remittance from the source needs to be made;
 - (b) for income tax withheld and remitted from the source, prescribe and announce procedures, necessary interpretations, and forms;
 - (c) if necessary, determine the method of withholding income tax from the source and the method of remitting the income tax withheld, depending on the nature of the business;
 - (d) even if a payment is of a type in para. 1 above, notify the person responsible for withholding and remitting income tax from the source not to withhold income tax from the source, to avoid multiple tax payments for the same transaction, or to prevent the withholding of income tax because there is an income tax exemption under any law, rule, or notification in force;
 - (e) delegate the authority under sub-para. (d) above to the heads of the Large Taxpayers' Office and the Medium Taxpayers' Offices, and the heads of the Region/State Revenue Departments.
8. Ministry of Planning and Finance Notification No. 51/2017 dated 22 May 2017 is repealed by this notification.
9. This notification shall come into effect from 1 July 2018.

Soe Win



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

Union Minister

Letter No. Sa Ba/Finance-1/3/1(4572/2018)

Date: 18 June 2018

Copies: [Omitted]

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