



Dear Readers,

Welcome to a new edition of our newsletter.

1. Importers of goods without import license to be blacklisted

Apart from having an [export/import business owner registration certificate](#), an importer of goods must obtain a separate import license for each shipment prior to the goods arriving in Myanmar. There is an automatic and a non-automatic [licensing system](#).

On 18 February 2025, the Ministry of Commerce under the State Administration Council (“SAC”) announced the establishment of a management team to “take action against individuals and companies importing goods from abroad to ports and airports before obtaining a permit”.

Importers whose goods arrive at a port or airport before an import license is issued risk being blacklisted and may have their export/import business owner registration certificate cancelled.

CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

Government of the Republic of the Union of Myanmar

Ministry of Commerce

Notification No. 16/2025

1386, 6th Waning Day of Tabodwe

(18 February 2025)

Establishment of a Management Team

1. Exercising the powers conferred by section 13 (b) Export and Import Law, the Ministry of Commerce hereby issues this notification to establish a management team consisting of the following persons to take action against individuals and companies importing goods from abroad to ports and airports before obtaining a permit:

- | | | |
|-----|--|-------------|
| (a) | Deputy Minister
Ministry of Commerce | Team Leader |
| (b) | Secretary
Committee for Ensuring Smooth Flow of Trade and Goods | Member |



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NEWSLETTER 190 - 2 March 2025

(c)	Managing Director Myanma Port Authority Ministry of Transport and Communications	Member
(d)	Director General Customs Department Ministry of Planning and Finance	Member
(e)	Director General Bureau of Special Investigation Ministry of Home Affairs	Member
(f)	Deputy Chief of Police Myanmar Police Force Ministry of Home Affairs	Member
(g)	Director General Directorate of Investment and Company Administration Ministry of Investment and Foreign Economic Relations	Member
(h)	Director General Legal Advisory Department Ministry of Legal Affairs	Member
(i)	Director General Department of Trade Ministry of Commerce	Member
(j)	Director General Myanmar Trade Promotion Organization Ministry of Commerce	Member
(k)	Director General Inspection Department Office of the Auditor General of the Union	Member
(l)	Director General	Member



Foreign Exchange Management Department
Central Bank of Myanmar

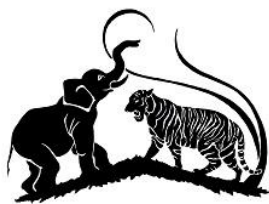
2. The duties of the Management Team are as follows:
 - (a) Submitting matters to the Union Government through the Ministry so as to coordinate with relevant government departments and organisations according to the policies issued according to the Export and Import Law, in order to take action against individuals and companies importing goods from abroad to ports and airports before obtaining a permit from 1 July 2024;
 - (b) if goods arrive at the port or airport before a permit is obtained, examining whether these goods are subject to exceptional measures by the Ministry of Commerce;
 - (c) if the goods are not subject to exceptional measures, submitting the matter to the Ministry so that the individuals and companies importing the goods are blacklisted and the relevant government departments and organisations are informed so that action can be taken against the goods according to the law, rules and procedures;
 - (d) if the goods are subject to exceptional measures, submitting the matter to the Ministry so that action is taken according to the Customs Procedures to allow the release of the goods, the importing individuals and companies are blacklisted, and the export/import business owner registration certificate is cancelled;
 - (e) establishing, as required, working groups and assigning duties to them;
 - (f) submitting a performance report to the Ministry once a month.

Tun Ohn
Union Minister

Letter No. Sa Ka - 14/2-37/2025 (16)

Date: 18 February 2025

Distribution: *[Omitted]*



2. Worrying decision on commercial tax fines

The Myanmar Gazette dated [14 February 2025](#) printed a rather worrying Revenue Appellate Tribunal decision (Commercial Tax Appeal 1/2024) on commercial tax fines:

The taxpayer had failed to submit three quarterly commercial tax returns in 2020-2021, underpaid commercial tax, and filed the 2020-2021 annual commercial tax return 8 months late.

It was undisputed that the taxpayer had underpaid commercial tax for 2020-2021 as follows:

Commercial tax (presumably from sales):	MMK	3,129,658,761.00
Commercial tax credit (presumably from purchases or imports):	MMK	-3,056,022,578.33
Commercial tax paid during the year:	MMK	-15,277,047.29
Underpaid commercial tax for 2020-2021:	MMK	<u>58,359,135.00</u>

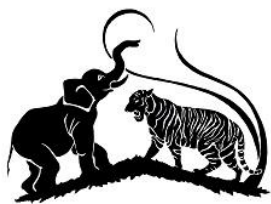
The tax authorities had assessed fines of in total MMK 412,691,553, amounting to **707%** of the underpaid tax, composed as follows:

- MMK 5,835,914 (10% of the underpaid tax) according to section 74 (b) [Tax Administration Law](#) for failure to pay commercial tax during the year.
- MMK 406,855,639 (13% of MMK 3,129,658,761) according to section 67 (a) (1) Law for filing the annual commercial tax return 8 months late.

(For comparison: Tax evasion carries a fine of only 100% of the evaded tax according to section 77 Tax Administration Law.)

Section 67 (a) (1) Tax Administration Law reads: “Any person who fails to file a tax return or any other return on or before the date specified for filing shall be liable to [*a fine of*] 5% of the tax amount to be paid plus 1% of the tax amount to be paid for each month or part of a month during which the return is not filed, from the date specified for filing until the time when the Director-General makes an assessment.”

The taxpayer argued that “tax amount to be paid” should be interpreted as meaning the net amount (MMK 58,359,135), but in vain. The Revenue Appellate Tribunal sided with the tax authorities and ruled that, because before the Tax Administration Law came into force, section 21 (b) Commercial Tax Law had prescribed a fine of “10% of the tax due according to the assessment” for failure to file an annual return, the fine should be calculated as a percentage of the gross amount (MMK 3,129,658,761).



Based on this decision, the failure to file a commercial tax return on time can have unexpectedly catastrophic consequences. Filing even one day late automatically results in a fine of 6% of the commercial tax **before** input commercial tax from purchases and imports is credited according to rule 42 Commercial Tax Rules.

Against this background, it is probably a good idea to file an imperfect return on time and correct it later if time runs out and the prospects of obtaining an extension according to section 24 (a) Tax Administration Law are unclear, rather than risking a late penalty.

3. **Reshuffling of the SEZ Central Body and the SEZ Central Working Body**

The Myanmar Gazette dated [28 February 2025](#) reported the reshuffling of the Special Economic Zone Central Body and the Central Working Body (SAC Notification 32/2025 dated 8 February 2025). The last reshuffling took place on 7 October 2024.

4. **Reshuffling of the Competition Commission**

Likewise in its edition dated [28 February 2025](#), the Myanmar Gazette reported that the Union Government under the SAC reshuffled the Myanmar Competition Commission (Notification 3/2025 dated 7 February 2025). The last reshuffling took place in 2021 and 2022.

5. **FATF status of Myanmar remains unchanged**

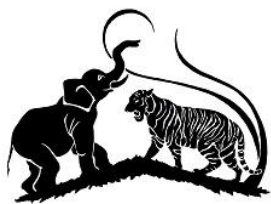
The Financial Action Task Force (“**FATF**”), an intergovernmental organisation that works to prevent money-laundering and terrorist financing, announced on 21 February 2025 that Myanmar’s status as high-risk jurisdiction remains unchanged. Differently to other jurisdiction deemed high-risk (North Korea and Iran), however, the FATF calls on its members and other jurisdictions to make their banks apply enhanced due diligence measures concerning Myanmar-related transactions rather than going one step further and urging the application of effective countermeasures.

The FATF also states:

“When applying enhanced due diligence, countries should ensure that flows of funds for humanitarian assistance, legitimate NPO activity and remittances are neither disrupted nor discouraged. The FATF will also continue to monitor whether Myanmar’s AML/CFT activities apply undue scrutiny to legitimate financial flows.”

6. **Luxury apartment for rent**

We are posting this for a friend:



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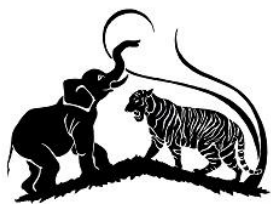
NEWSLETTER 190 - 2 March 2025

*160 sqm with 2 ensuite bedrooms. Large kitchen and dining area, plus living. Open plan. Wooden floors. All mod cons. (Voltage stabiliser, water filtration, A/C). Well furnished with quality items. Upper level, 10th. floor with lift. **24 hours electricity**. Price to be negotiated. Contact Peter: sanlan.peter@gmail.com*



We hope that you have found this information useful.

Sebastian Pawlita
Managing Director



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NEWSLETTER 190 - 2 March 2025

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