



KPMG Myanmar Updates

KPMG in Myanmar



Advance income tax for imports and exports

The Ministry of Planning and Finance (“MOPF”) has refined the Advance Income Tax (“AIT”) system several times in recent years. It placed AIT of 2% on all imports and exports on 14 June 2013 with exemptions such as:-

- Imports and exports by ministries, government departments and state owned entities;
- Importation of vehicles by people who have surrendered their old vehicle;
- Certain imports by MIC companies;
- Goods imported for donations;
- Importation of fire engines, hearses, ambulances;
- Raw materials for CMP businesses; and
- Goods imported under the draw back and temporary importation systems.

As the name implies, these advance taxes are meant to be set-off against the corporate income taxes that companies would need to pay annually.

In 2018, the exports of companies under the self-assessment system (i.e. companies under the Large tax payers office (“LTO”) and Medium tax office 1 (“MTO1”)) were exempted from the above AIT.

New update

In the Notification 38/2019 issued on 8 April 2019, which voids the previous Notification 7/2018 issued on 22 January 2018, the exemption of the AIT for companies under the LTO and MTO1 have been removed.

This is likely to mean greater tax costs (even in the short term) for exporters that are under the LTO and the MTO1.

How can KPMG help

KPMG can assist in managing your tax compliance needs whilst operating in Myanmar including corporate tax, personal income tax, commercial tax and withholding tax filings. KPMG has extensive experience in assisting clients submit applications to the IRD to obtain clarifications and decisions for businesses investing in Myanmar.

Please feel free to reach out to our tax professionals to discuss how these changes would impact your businesses.

About KPMG Myanmar Updates

KPMG Myanmar Updates highlight the latest tax and regulatory developments, impending changes to law or regulations, current practices and potential problem areas that may impact your company. As certain issues discussed herein are time sensitive, it is advisable to make your plans accordingly.

Contact us



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