



# KPMG Myanmar Tax Alert

KPMG in Myanmar

## Update on Tax procedures in relation to the change in Financial Year

The Ministry of Planning and Finance ("MoPF") has previously announced on 5 August 2019, the notification 64/2019. Further to the above, on 4 September 2019, the Internal Revenue Department ("IRD") issued Directive 20/2019 to clarify the taxable income for individuals.

### Doubling of employment income

It was previously stated that tax payers are expected to double all income received during the six month period in order to arrive at the taxable income before applying the tax rates and the tax payable calculated will thereafter be halved.

In the latest directive mentioned above, the IRD has clarified that only the monthly salary needs to be annualised. Only the actual amounts received in relation other income received from annual benefits, bonuses and rewards, will be included in the taxable income. Such one off payments will not need to be annualised. This would be a more equitable calculation.

We understand that the IRD will be issuing more clarifications on other topics covered in notification 64/2019 in due course. Please continue to monitor our alerts for further updates.

#### 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 Myanmar Tax Alert

KPMG Myanmar Tax Alert 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.

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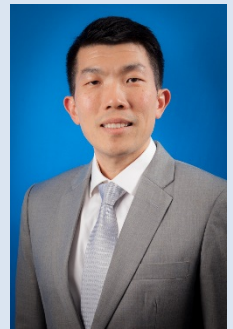
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