

Internal Revenue Department



**INTERNAL REVENUE DEPARTMENT**  
**MYANMAR**

**ANNUAL  
REPORT FOR  
FISCAL YEAR  
2019-2020**

**January 1  
2021**

From October 1, 2019 to September 30, 2020



## MESSAGE FROM THE DIRECTOR GENERAL



During the 2019-2020 fiscal year, I am pleased to be able to inform readers that the Internal Revenue Department secured total revenues of 7296.697 billion kyats. This means that the full revenue collection target for the year was exceeded, in spite of the challenges produced for taxpayers and the tax administration by COVID-19 developments. In response to the pandemic, the Internal Revenue Department also implemented measures providing tax relief as required by the

Myanmar Government in the form of three tax administration processes and six tax policy responses outlined in the “Overcoming as One: COVID-19 Economic Relief Plan”.

The Internal Revenue Department is strongly committed to going forward with our current strategic plan- “Reform Journey: A Plan to Mobilize Domestic Revenue 2017-18 to 2021-22”. During the year, the Department progressed the second phase of its tax reform program which commenced in 2012. The Medium Taxpayers’ Office No.2 prepared its taxpayers to move to the self-assessment system (SAS) and became an SAS office from October 1, 2020. The annual Union Taxation Law (2020) was also enacted by the Parliament during the reporting period. Moreover, the Internal Revenue Department established a Centralized Taxpayer Service Unit in Yangon to support medium taxpayers; carrying out tax administration activities as required by law, to maximize consistency of business processes; to secure consistent decisions making and to provide better quality services.

Through this Annual Report the Internal Revenue Department seeks to assure the Government and all citizens of Myanmar that we are making progress towards a modernized tax administration through a reform program aligned with the Myanmar Sustainable Development Plan (MSDP). We continue to strive to lawfully collect the right amount of tax revenues for the State and to gradually improve the Tax to GDP ratio through the provision of improved services and risk based approaches to enforcement.

**Naing Swe Oo**  
Director General  
Internal Revenue Department

# OUR STRATEGIC PLAN

## Our Vision

We will be a modern organization that acts with integrity and is recognized internationally as a highly effective tax administration."

## Our Mission

"To make taxpayers willingly pay tax as good citizens, by delivering quality service in order to maximize revenue for the prosperity of the people."

## Our Goals

- Maximize revenue
- Broaden the tax base
- Improve and maintain compliance
- Modernize tax administration

## Our Objectives

- Improve integrity, transparency and accountability
- Update our tax laws
- Improve the structure of IRD for better management
- Improve our communication and change management processes
- Develop our people and recruit qualified staff
- Modernize our processes and procedures
- Improve the services we provide to taxpayers and take strong enforcement action on those who do not comply
- Introduce a modern, world-standard information technology system
- Progressively introduce self-assessment into the Myanmar tax system

## Our Values

 Professionalism

 Service Delivery

 Integrity

 Valuing people

 Collaboration

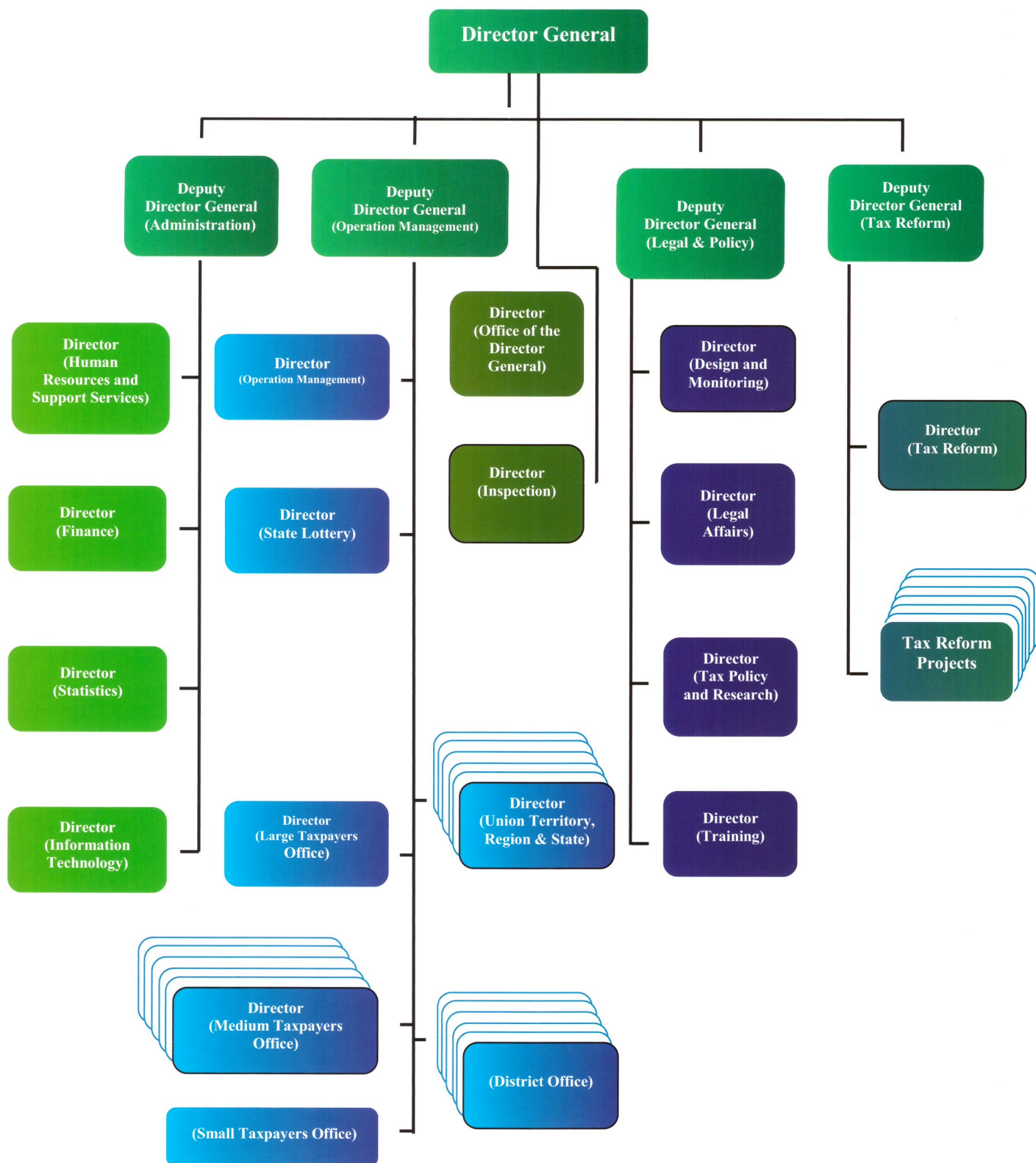
 Commitment



# OUR ORGANIZATION



## Ministry of Planning, Finance and Industry Internal Revenue Department



## OUR TAX REFORMS

Key achievements in connection with our reform program secured in this reporting period include:

- The taxes collected by offices responsible for taxpayers in SAS increased to 63 percent of total collections.
- IRD made preparations to expand SAS to cover taxpayers in Medium Taxpayers Office No.2 and this became official from October 1, 2020.
- Our Risk and Intelligence Unit developed its capability as a Headquarters function and now analyses risks to revenue and develops appropriate treatment responses for advance in field offices. The Internal Revenue Department is pursuing a more balanced response to compliance issues with a mix of taxpayer service and enforcement approaches.
- In line with international practice, a draft modernized Income Tax Law was submitted to Parliament in July 2020.
- A Centralised Processing Unit had been established in order to support the return filing and payment of taxes efficiently for SAS taxpayers. As a result, return filing processing rates increased.
- In response to Covid-19 developments, the Internal Revenue Department arranged a system for the taxpayers to file their returns electronically without need to attend tax offices in person.
- Centralised Taxpayer Service Unit was established to manage Human Resources effectively in tax administration, workload improvement, uniform facility in work processes and consistency in decision making.
- The online tax payment system was extended to use e-banking, i-banking and mobile-banking system in addition to MPU Debit Card and CBM-NET systems, especially for taxpayers from the LTO and MTOs -1 to 5.



## OPERATIONS REVIEW FOR 2019-2020 FY

**Income Tax** is the largest source of tax revenue and collections amounted to 3,515.862 billion kyats accounting for more than 48 percent of IRD's collection in FY 2019-2020.

**Commercial Tax and Specific Goods Tax** accounted for more than 30 percent and more than 17 percent of IRD collection respectively. While collections of commercial tax amounted to 2,220.972 billion kyats and specific goods tax amounted to 1,270.973 billion kyats in FY 2019-2020.

**Stamp Duty** on documents amounted to 116.961 billion kyats in FY 2019-2020 and accounted for 1.6 percent of IRD's collections.

**Lottery Tax and Treasures Tax** collections amounted to 160.172 billion kyats and 11.757 billion kyats respectively, contributing 2.2 percent and 0.16 percent of collections in FY 2019-2020.

### Revenue Collected by Tax Type

