

2017/2018

Republic of the Union of Myanmar Quarterly Commercial Tax Return

(see separate instructions to properly complete the tax return) - Form patakha - (kathakha) - 5a

(for Quarterly Commercial Tax Returns due 31 Jul 2017, 31 Oct 2017, 31 Jan 2018, and 30 Apr 2018)

For the quarter ended	DD/MM/201X: _____		
TAXPAYER DETAILS	A. Type of taxpayer: Tick applicable box ► <input type="checkbox"/> Individual <input type="checkbox"/> Association <input type="checkbox"/> Company <input type="checkbox"/> Non-primary co-operative <input type="checkbox"/> Primary co-operative <input type="checkbox"/> State economic enterprise		
	B. Residency: Tick applicable box ► <input type="checkbox"/> Myanmar citizen <input type="checkbox"/> Non-resident citizen <input type="checkbox"/> Non-resident foreigner <input type="checkbox"/> Resident foreigner		
	C. Name of tax treaty country (if any) ► _____		
	D. Check applicable box(es): <input type="checkbox"/> Initial return with IRD <input type="checkbox"/> Final return with IRD <input type="checkbox"/> Amended return for 2017/2018 quarter ended: <input type="checkbox"/> 30 June 2017 <input type="checkbox"/> 30 September 2017 <input type="checkbox"/> 31 December 2017 <input type="checkbox"/> 31 March 2018 <input type="checkbox"/> Change of address		
Name		TIN	
Full name of spouse (if married)		TIN	
Postal address (including postal code)			
Physical address			
Contact telephone number	E-mail address		
Customs IE Code	Industry code		

Caution: Specify the names of goods produced or sold in the separate attachment. Express all money amounts in kyats even if you received money for the goods sold or services rendered in a foreign currency. In converting from foreign currency to Myanmar Kyats (MMK), attach the relevant rates.

PART A Net Commercial Tax on Production / Trading		(a) Total sales (kyats) (not including commercial tax but including specific goods tax) (See instructions)	(b) Tax rate	(c) Tax Multiply (a) x (b) (See instructions)
1	Export of crude oil		5%	
2	Export of electrical power		8%	
3	Sale of gold jewelry		1%	
4	Sales of buildings built and sold in Myanmar		3%	
5	All other goods, except exempt goods included on line 6 (see instructions)		5%	
6	Exempt goods (see instructions)			
7	Net commercial tax on production and trading (add lines 1 through 5)			

PART B Net Commercial Tax on Domestic Services Rendered		(a) Total receipts (kyats) (not including commercial tax)	(b) Tax rate	(c) Tax - Multiply (a) x (b)
1	Domestic air transport services		3%	
2	Telecom services - recharge/pre-paid cards		5%	
3	Telecom services – all other services		5%	
4	All other domestic services, except exempt services included on line 5		5%	
5	Exempt services (see instructions)			
6	Net commercial tax on sales of domestic services (enter the sum of lines 1 through 4 in column (c))			

PART C Net Commercial Tax for the Quarter	
1. Net commercial tax before payments. Add Part A, line 7 and Part B, line 6	
Advance payments made during the quarter	
2. Total of tax paid during the quarter in importation / production / trading / rendering services (see instructions)	
3. Total of monthly payments made during the quarter	
4. Total advance payments made during the quarter (enter the sum of line 2 plus line 3)	

Declaration of Paid Preparer (Skip this section if there is no paid preparer.)			
Based on all information of which I have any knowledge, I declare that to the best of my knowledge and belief, the information given on this return is correct and complete. (Note: Submission of false documents is a violation of Section 177, Myanmar Penal Code.)			
Signature of paid preparer		Date (day, month, year)	
Name of paid preparer		TIN	
Firm's name		Firm's address	
Firm's TIN			
Contact telephone number		E-mail address	

Declaration of Taxpayer or Representative			
I declare that to the best of my knowledge and belief, the information given on this return is correct and complete. (Note: Submission of false documents is a violation of Section 177, Myanmar Penal Code.)			
Signature		Date (day, month, year)	
If you are signing this form on behalf of an association of persons, a Government organization, or a legally incapacitated person, print your full name		Your title	

General Instructions

Who Must File

Any person who is required to pay the commercial tax to the IRD must file a tax return on **both** a quarterly and an annual basis. This form is for the quarterly commercial tax return **ONLY**. A separate form is used for annual commercial tax returns. Unless an exception applies, the commercial tax applies to anyone engaged in the following activities:

- Domestic manufacturing and distribution.
- Importing.
- Trading (selling goods for cash, credit, deferred payment, advance selling, exchange, or consignment).
- Providing services.

Exceptions. The commercial tax does not apply to:

- Export sales of goods, except export sales of crude oil and electricity.
- Goods produced and sold or services rendered solely for religious or charitable purposes by any religious or charitable organization. Charitable purposes include actions to improve education and health, helping the poor and victims of natural disasters (as long as the supplies or donations are for the benefit of the people).
- Businesses in the cooperative or private sector if the proceeds from the sale of goods or services do not exceed the following amounts:
 - 50,000,000 kyats for the production and sale in Myanmar of goods subject to commercial tax within the tax year.
 - 50,000,000 kyats for services subject to commercial tax within the tax year.
 - 50,000,000 kyats for a trading business within the tax year.

If any of the proceeds from sales and services are received in foreign currency, the proceeds generally must be converted to and paid in kyats in accordance with Commercial Tax Regulations

The tax must be paid by:

- The importer for imported goods.
- The producer, trader, importer, or service provider if they sell domestically produced or imported goods or resell goods or provide services. They must collect the tax from the purchaser or recipient of services.

When To File

You must file a commercial tax return within one month after the end of each quarterly period. The due dates for 2017/2018 are:

- 31 July 2017
- 31 October 2017
- 31 January 2018
- 30 April 2018

Penalties

If you are required to pay the monthly tax or to file a quarterly or annual tax return, but you fail to do so by the due date, you may be subject to a 10% penalty. The penalty does not apply if you had reasonable cause for not paying or filing on time.

If you fail to report all of your taxable sales and receipts from rendering services, you also may be subject to a 100% penalty on the amount of additional tax on account of the unreported income.

In addition, you may be prosecuted and imprisoned for not more than 1 year and also be subject to a 100,000 kyats penalty if you do not disclose the particulars relating to the unreported sales and receipts within the time specified by the Township Revenue Officer or Appellate Committee.

Specific Instructions

Line D

Check the "initial return with IRD" box if this is the first commercial tax return you have filed for this taxpayer. Check the "amended return for the 2017/2018 quarter ended" box if you are correcting a previously filed quarterly return for the 2017/2018 fiscal year. Check the appropriate box to indicate which quarterly return is being amended. Check the "final return with IRD" box if this is the last commercial tax return being filed for this taxpayer (for example, the taxpayer no longer exists because it went out of business). Check the "change of address" box if you changed your address since your previous tax return was filed.

Part A, Column (a)

Sales. Sales are taxed based on the proceeds of the sale for domestic production and the landed value for imported goods. For specific goods listed in the Specific Goods Tax Law, commercial tax will be charged at five (5) percent on the sale proceeds including the specific goods tax and, if imported, commercial tax is charged at five (5) percent of the landed cost including the specific goods tax. Do not include the commercial tax that you are calculating with this return in column (a). Proceeds of the sale include money received from the sale of goods (including packing materials) in cash or on credit or by another deferred payment or sale in advance system. If it is the exchange of goods, it is the value determined in doing so. This expression includes the value of packing material for packing the goods.

Businesses in the cooperative or private sector do not pay commercial tax if the production and sale in Myanmar of goods subject to commercial tax and for a trading business subject to that tax within the tax year do not exceed MMK 50,000,000.

If the amount exceeds MMK 50,000,000, then the entire amount is subject to commercial tax including the first MMK 50,000,000.

Part A, Line 1

Exports of crude oil. 5% commercial tax is charged on the exports of crude oil.

Part A, Line 2

Export of electrical power. 8% commercial tax is charged on the exports of electricity.

Part A, Line 3

Sales of gold jewelry. 1% commercial tax is charged on the sales proceeds of gold jewelries.

Part A, Line 4

Sales of buildings. 3% commercial tax is charged on the sales proceeds of buildings built and sold in Myanmar. A person who constructs and sells the buildings shall be liable to follow all requirements and entitled to the all the rights contained in the Commercial tax law and Commercial tax regulations.

Part A, Line 6

Exempt goods. The sale of the following goods is exempt from the commercial tax per the 2017 Union Tax Law.

Total sales of exempt goods must be entered on line 6.

1. Paddy, rice, split rice, bran, rough bran, paddy husks
2. Flour bran, flour bran raw
3. Assorted corn, and other grains, corn powder, other grain powder
4. Assorted bean, broken bean, bean powder, bean bran, bean husk
5. Groundnuts, shelled or unshelled
6. Sesame and sesame flour
7. Mustard seeds, sunflower seeds, tamarind seeds, and cotton seeds
8. Palm oil
9. Cotton
10. Jute and similar fibers
11. Garlic and onions
12. Potatoes
13. Cassava plants and cassava powder
14. Spices (leaves, fruit, seeds, and bark) and prepared spices
15. Fresh fruit
16. Vegetables
17. Sugar cane, sugar, jiggery, brown slab sugar
18. Mulberry leaves
19. Medicinal plants and herbs
20. Thatch, reeds, tha paw, nipa palm (*dani*), palm, cardamom, "wa u", "thanatkhar" and agricultural products not specified elsewhere
21. Firewood and bamboo
22. Live animals, fish and prawns
23. Silk cocoons
24. Canes, finished and unfinished
25. Honey and beeswax
26. Waxes
27. Residual oil-cake of groundnuts, sesame, cotton seeds, rice bran, etc.
28. Bleaching powder (only hydrochlorite used for bleaching)
29. Coconut fibre, coconut shell charcoal
30. Tea leaves, various dry tea leaves
31. Various stamps (revenue stamps included)
32. Sealing wax and sticks
33. Slate, slate pencils, and chalk
34. Various kinds of fish sauces (*ngan-pya-ye*)
35. Groundnut oil, sesame oil

36. Fresh fish, fresh prawns, fresh meat
37. Dried fish and prawns
38. Pickled fish and pickled prawns
39. Prawn bran, fish powder
40. Milk, cream, fresh milk, and assorted milk powders
41. Soy milk
42. Chili and chili powder
43. Turmeric and turmeric powder
44. Ginger
45. Various kinds of fish paste
46. Ripe tamarinds
47. National flag
48. Various kinds of rosary beads (excluding beads made from precious stones)
49. Various kinds of rulers, erasers, and sharpeners
50. Alternatives to firewood
51. Coconut oil (not edible palm oil)
52. Various kinds of fowl eggs
53. Pumpkin seeds, watermelon seeds and cashew nuts
54. Religious clothes (thingyan robes, etc.)
55. Crude oil based paint
56. Various kinds of salt
57. Rubber paste
58. Betel nuts
59. Fertilizer
60. Insecticides, pesticides, fungicides, etc. used for livestock farms
61. Farm equipment, farm machines and machine parts; four-wheeled tillers
62. Raw and processed animal, fish, shrimp feed
63. Animal/fish/prawn medicines
64. Animal breeding. Artificial insemination
65. Solar panels, solar chargers, controllers, and solar inverters
66. X-ray films and plates and other X-ray, surgical, medicinal, or pharmaceutical apparatus and equipment (self-imported or self-produced materials to be used in hospitals and clinics)
67. Cotton, bandages, gauze, other surgical dressing material, hospital and surgical clothing, and sundries (self-imported or self-produced materials to be used in hospitals and clinics)
68. Pharmaceuticals and other assorted medicines and assorted traditional medicines (medicines notified by the Ministry of Planning and Finance)
69. Raw materials for drugs including traditional medicines
70. Various kinds of textbooks, various kinds of educational books to be used in colleges and universities, exercise and drawing books of various kinds and papers for the production of such books and all sorts of pencils
71. Graphite for the production of pencils
72. Condom
73. Materials, equipment, vehicles, machines and tools for national defense and security organizations
74. Various kinds of gunpowder, various kinds of dynamite and accessories thereof used by the civil departments
75. Crops seeds and nursery plants
76. Firefighting trucks, hearses
77. Duty-free goods to be sold in foreign currency to overseas passengers at the departure places
78. Goods to be used by foreign embassies and councils , their members and non-diplomatic staff, all of which are applicable to bilateral rights principles
79. Goods purchased for the consumption of the armed forces if included in the budget of the Ministry of Defense
80. Raw materials or parts of goods provided by the non-resident supplier for use on a CMP basis and goods used for wrapping the finished product.

81. Fuel sold to foreign embassies, United Nations organizations, and foreign diplomats by the Ministry of Electricity and Energy
82. Goods which are bought with the donation or funds provided to the State by domestic and foreign organizations
83. Jet fuel sold to be used for planes flying abroad
84. Machines, machinery and equipment and the spare parts thereof for planes and helicopters
85. Goods which are exempted by Union Parliament as per the needs of the State
86. Commodities imported under temporary admission or draw-back system in line with Customs procedures
87. Cut and un-cut forms of jade, ruby and sapphires which are sold at the domestic gem emporiums organized by the government

Part B, Column (a)

Total receipts. Do not include the commercial tax that you are calculating with this return in column (a). However, include the amount of Specific Goods Tax paid.

Part B, Column (c)

Businesses in the cooperative or private sector do not pay commercial tax if the services subject to commercial tax within the tax year do not exceed MMK 50,000,000.

If the amount exceeds MMK 50,000,000, then the entire amount is subject to commercial tax including the first MMK 50,000,000.

Part B, Line 1

Domestic air transport services. 3% commercial tax is charged on the sales proceeds of domestic air transport services.

Part B, Line 2

Telecom services - recharge/pre-paid cards. Enter on this line the total sales of recharge cards or pre-paid cards for telecommunications services.

Part B, Line 3

Telecom services – all other services. Enter on this line the total sales of other services not related to recharge/pre-paid cards such as sales of handsets, SIM cards, etc.

Part B, Line 5

Exempt services. The following services are exempt from the commercial tax. Total sales of exempt services must be entered on line 5.

1. Rental of parking lot spaces
2. Life insurance
3. Microfinance loans
4. Health care except beauty parlor services
5. Education
6. Transportation of goods (transport via train, motor vehicle, vessel, aircraft or crane with the exception of transport via pipeline)
7. Capital market services
8. Banking service and financial service operating with the permission of the Central Bank
9. Customs and port clearance
10. Rental of movable property for social functions (such as tables, chairs, and crockery) (catering)

11. Contract manufacturing (cutting, making, and packaging)
12. Funerals
13. Childcare
14. Traditional healing massages and massages provided by blind persons
15. Moving
16. Road tolls
17. Veterinarian and animal health care
18. Public toilets
19. International passenger air transport service
20. Culture and art
21. Public transportation service except domestic air transport service
22. License fees paid to the State organizations for obtaining permits for any activity
23. Printing service by the security printing by the Ministry of Defense
24. Services acquired by foreign embassies and councils , their members and non-diplomatic staff, all of which are applicable to bilateral rights principles
25. Services acquired with the donation or funds provided to the State by domestic and foreign organizations
26. Services which are exempted by Union Parliament as per the needs of the State
27. Services provided to one another by the organizations such as President's Office, Union Government's Office, Union Parliament Office, Pyithu Hluttaw Office, Amyotha Hluttaw Office, Supreme Court of the Union, Constitutional Tribunal of the Union, Union Election Commission Office, Union Attorney General's Office, Union Auditor General's Office and Union Civil Service Board Office, Union Ministries, Nay Pyi Taw Council Office, Central Bank of Myanmar, Social Security Board, State or Region Government's Office, Departments (excluding services provided to or received from State owned enterprises)
28. Aung Bar Lay Lottery
29. Mechanized agricultural services

Part C

Part C, Line 2

The taxpayer may be able to claim a credit for commercial tax paid at the time of importation, purchasing, trading and rendering services. See Regulation 42.

Regarding exports, the commercial tax paid at the time of purchase or production of the goods may be offset from the commercial tax due on the export according to the regulations. Notwithstanding the commercial tax regulations, if the commercial tax due on the export is less than the commercial tax paid at the time of purchase or production of the goods, a refund may be demanded. This does not apply to goods which are bought in the country and brought overseas for personal use.

Part C, Line 3

Indicate the total of commercial tax monthly payments made during the quarter. You may adjust the amount of monthly payments to account for any tax overpayment carried over from the previous year.

Declaration of Paid Preparer

Before you file the return, you must ensure the person you paid to prepare the tax return (for example, your independent accountant or auditor) signed the declaration on page 2. If an employee of yours prepared the return, no signature is required in this part.

Note: Submission of false documents is a violation of Section 177, Myanmar Penal Code.

Declaration of Taxpayer or Representative

Before you file the return, you must ensure that the return is signed on page 2:

- For an individual, by that individual.
- For a co-operative society, by the chairman or secretary.
- For a company, by the agent, secretary, general manager, or manager of that company,
- For a state economic enterprise, by a person responsible for administration or accounts.

Note: Submission of false documents is a violation of Section 177, Myanmar Penal Code.