

# 2018/2019 Republic of the Union of Myanmar Associations Income Tax Return

(see separate instructions to properly complete the tax return)  
(for Annual Income Tax Returns due 31 December 2019)

<b>TAXPAYER DETAILS</b>	<b>A. Type of taxpayer:</b> Tick applicable box ► <input type="checkbox"/> Company <input type="checkbox"/> State economic enterprise		
	<b>B. Residency:</b> 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		
	<b>C. Name of tax treaty country (if any) ►</b> _____		
	<b>D. Check applicable box(es):</b> <input type="checkbox"/> Initial return with IRD <input type="checkbox"/> Final return with IRD <input type="checkbox"/> Amended return for 2018-2019 income year <input type="checkbox"/> MIC/SEZ exemption <input type="checkbox"/> Change of address <input type="checkbox"/> Listed public company on Yangon Stock Exchange <input type="checkbox"/> Accounting / inventory valuation method change		
Name		TIN	
Postal address (including postal code)			
Physical address			
Contact telephone number		Email address	
Customs IE Code		Industry code	

**Caution: In Parts A through C, only report amounts allowed in computing taxable income. Express all money amounts in kyats.**

<b>PART A</b>	<b>(a) Business income from within Myanmar</b>	<b>(b) Business income from a foreign country (does not apply to non-resident foreigners)</b>	<b>(c) Taxable business income</b>
<b>BUSINESS INCOME &amp; EXPENSES</b> (Do not include capital gains, rental income, or other income. If more than one business in either column, enter the totals here and attach a schedule showing the details for each business.)			
<b>Principal business or profession, including product or service</b>			
<b>Name and physical address or location of business</b>			
<b>1. Business income including Specific Goods Tax (excluding commercial tax):</b> (Sales, turnover, investment income, interest income, premiums, etc. – attach schedule)			
<b>2. Expenses (excluding commercial tax):</b>			
a. Cost of sales or operations (attach schedule)			
b. General & administrative (attach schedule)			
c. Staff/labour costs			
d. Management fees			
e. Interest expense			
f. Depreciation & amortization (attach schedule)			

g. Foreign taxes			
h. Specific goods tax paid			
i. Other expenses (attach schedule)			
j. Total expenses (line 2a+2b+2c+2d+2e+2f+2g+2h+2i)			
<b>3. Net business income (loss).</b> In columns (a) and (b), enter line 1 minus line 2j. In column (c), add columns (a) and (b) on this line.			

<b>PART B</b> <b>INCOME &amp; EXPENSES RESPECTING THE RENTAL OF IMMOVABLE PROPERTY</b> (Do not include capital gains. If more than one property in either column, enter the totals here and attach a schedule showing the details for each property.)	<b>(a)</b> <b>Income respecting the rental of property situated in Myanmar</b>	<b>(b)</b> <b>Income respecting the rental of property situated in a foreign country (does not apply to non-resident foreigners)</b>	<b>(c)</b> <b>Taxable income respecting the rental of immovable property</b>
<b>1a. Type of property</b> (Single family house, apartment house, commercial building, land, etc.)			
<b>1b. Physical address or location of property</b>			
<b>2. Gross rents</b>			
<b>3. Expenses:</b>			
a. Repairs & maintenance			
b. Interest expense			
c. Property insurance			
d. Utilities (electricity, water, and sewerage)			
e. Waste disposal			
f. Security expenses			
g. Depreciation & amortization (attach schedule)			
h. Other expenses (attach schedule)			
i. Total expenses (line 3a+3b+3c+3d+3e+3f+3g+3h)			
<b>4. Net income respecting the rental of immovable property (loss).</b> In columns (a) and (b), enter line 2 minus line 3i. In column (c), add columns (a) and (b) on this line			

<b>PART C</b> <b>OTHER INCOME &amp; EXPENSES</b> (Do not include capital gains.)	<b>(a)</b> <b>Other income derived within Myanmar</b>	<b>(b)</b> <b>Other income derived from a foreign country (does not apply to non-resident foreigners)</b>	<b>(c)</b> <b>Taxable other income</b>
<b>1. Other income</b> (attach schedule)			
<b>2. Expenses</b> (attach schedule)			
<b>3. Net other income (loss).</b> In columns (a) and (b), enter line 1 minus line 2. In column (c), add columns (a) and (b) on this line			

PART D		
COMPUTATION OF TAXABLE INCOME		
<b>1. Net income:</b>		
a. Enter net business income (loss) from Part A, line 3, col. (c)		
b. Enter net rental income (loss) from Part B, line 4, col. (c)		
c. Enter net other income (loss) from Part C, line 3, col. (c)		
d. Total net income (loss) before carryover losses. Add 1a+1b+1c. If a net loss, enter the amount in brackets "( )". Skip the rest of Part D and enter -0- on part E, line 1.		
<b>2. Carryover losses from previous income years (see instructions):</b>		
a. Enter any unused carryover loss from income year 2018		
b. Enter any unused carryover loss from income year 2017/2018		
c. Enter any unused carryover loss from income year 2016/2017		
d. Enter any unused carryover loss from income years before 2016/2017 allowed per MIC permit or other document (attach documents, see instructions)		
e. Total carryover losses. Add 2a+2b+2c+2d		
<b>3. Total net income before MIC exemption and allowances.</b> Line 1d minus 2e. If a net loss, enter -0-. Skip the rest of Part D and enter -0- on Part E, line 1.		
<b>4. Amount of income exempted based on MIC permit</b> (attach schedule of computation and copy of MIC permit)		
<b>5. Total net income after MIC exemption but before allowances.</b> Line 3 minus 4. If a net loss, enter -0-. Skip the rest of Part D and enter -0- on Part E, line 1.		
<b>6. Basic allowance – cooperatives only.</b> Multiply line 5 by 20%. If the result is smaller than MMK 10,000,000, enter it here. Otherwise, enter MMK 10,000,000.		
<b>7. Total taxable income before deduction for donations.</b> Subtract line 6 from line 5. (If you are a non-resident foreigner, enter the amount from line 7 on line 9. You are not entitled to a deduction for donations.)		
<b>8. Tax deductible donations you paid, if any*</b> (see instructions)		
<b>9. Total taxable income</b> Line 7 minus line 8. Enter on Part E, line 1.		

PART E		
TAX COMPUTATION		
1. Enter the amount from Part D, line 1d, line 3, line 5 or line 7 or line 9.		
2. Tax before payments/exemptions (Primary co-operatives see instructions.)		
<b>3. Payments/exemptions</b>		
a. Total quarterly advance tax payments		
b. Income tax withheld		
c. Income tax paid to Customs Department		
d. Income tax paid to foreign governments under terms of a tax treaty		
e. Amount of tax overpaid last year carried over to this year		
f. Total payments (3a+3b+3c+3d+3e)		
<b>4. Balance due.</b> Line 2 minus line 3f. If zero or less, enter -0-.		
<b>5. Amount overpaid.</b> Line 3f minus line 2. If zero or less, enter -0-. If you want this <b>REFUNDED</b> to you, tick this box <input type="checkbox"/> If you do not tick the box, the amount overpaid will be applied to next year's tax.		

PART F STATEMENT OF FINANCIAL POSITION	Year ended 30 September 2018		Year ended 30 September 2019	
	(a)	(b)	(c)	(d)
<b>ASSETS</b>				
<b>Non-current assets</b>				
1. Land				
2a. Property, plant, and equipment				
2b. Less: Accumulated depreciation	( )		( )	
3. Biological assets				
4a. Intangible assets				
4b. Less: Accumulated amortisation	( )		( )	
5. Investments in associates and joint ventures				
6. Long-term loans				
7. Deferred tax assets				
8. Non-current finance lease receivables				
9. Other non-current assets				
<b>10. Total non-current assets (1+2a+2b+3+4a+4b+5+6+7+8+9)</b>				
<b>Current assets</b>				
11. Inventories				
12. Trade and other receivables				
13. Current finance lease receivables				
14. Costs and estimated earnings in excess of contract billings				
15. Current tax assets				
16. Cash and equivalents				
17. Assets held for sale				
18. Other current assets				
<b>19. Total current assets (11+12+13+14+15+16+17+18)</b>				
<b>20. TOTAL ASSETS (10+19)</b>				

PART F (continued) STATEMENT OF FINANCIAL POSITION	Year ended 30 September 2018		Year ended 30 September 2019	
	(a)	(b)	(c)	(d)
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
21. Issued capital				
22. Reserves				
23. Retained earnings (accumulated loss)				
24. Equity related to assets held for sale				
25. Non-controlling interests				
<b>26. TOTAL EQUITY (21+22+23+24+25)</b>				
<b>Non-current liabilities</b>				
27. Long-term loans				
28. Deferred tax liabilities				
29. Non-current provisions				
30. Non-current deferred revenue				
31. Other non-current liabilities				
<b>32. Total non-current liabilities (27+28+29+30 +31)</b>				
<b>Current liabilities</b>				
33. Trade and other payables				
34. Contract billings in excess of costs and estimated earnings				
35. Short-term loans				
36. Current tax liabilities				
37. Current provisions				
38. Current deferred revenue				
39. Liabilities related to assets held for sale				
40. Other current liabilities				
<b>41. Total current liabilities (33+34+35+36+37+38+ 39+40)</b>				
<b>42. TOTAL LIABILITIES (32+41)</b>				
<b>43. TOTAL EQUITY &amp; LIABILITIES (26+42) (20=43)</b>				

<b>PART C RECONCILIATION OF BOOK INCOME (LOSS) TO TAXABLE INCOME</b>	<b>Year ended 30 September 2019</b>	
<b>1. Total income (loss) per books</b>		
<b>2. Income tax per books</b>		
<b>3. Income subject to tax not recorded on books</b> (attach schedule)		
<b>4. Expenses recorded on books not deducted on this return:</b>		
a. Contributions more than 25% income limit		
b. Book depreciation more than tax		
c. Inappropriate expenditures (such as bribes, fines, and penalties)		
d. Expenses not in proportion to the size or volume of the business		
e. Capital losses		
f. Other expenses not allowed for tax (attach schedule)		
g. Total expenses (4a+4b+4c+4d+4e+4f)		
<b>5. Total (1+2+3+4g)</b>		
<b>6. Income recorded on books exempt from tax</b> (attach schedule)		
<b>7. Capital gains</b>		
<b>8. Deductions on this return not charged against book income:</b>		
a. Tax depreciation in excess of book		
b. Special deductions from Part D, line 4		
c. Other deductions not claimed on books (attach schedule)		
d. Total deductions (8a+8b+8c)		
<b>9. Total (6+7+8d)</b>		
<b>10. Taxable income (5-9). (Part D, line 9)</b>		

<b>Declaration of Paid Preparer (Skip this section if there is no paid preparer.)</b>			
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 and that the taxpayer had no other income whatsoever during the year ended 30 September 2019. (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		Email 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, and that I (or the taxpayer) had no other income whatsoever during the year ended 30 September 2019.  
(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 or a Government organization, print your full name.		Your title	

# 2018/2019 Instructions

## Republic of the Union of Myanmar

### Associations Income Tax Return

(Form patakha (wanga) - 1a – for Income Year 1 October 2019 to 30 September 2019)

#### General Instructions

#### Who Must File an Income Tax Return?

**Resident citizen, resident foreigner, and non-resident citizen (including a domestic association, company, cooperative, and state-owned economic enterprise [SEE]).** Generally, you are required by law to file a return of your total income from all sources both within and outside of Myanmar (except income exempt from tax) and calculate the tax due for the period 1 October 2018 to 30 September 2019 (Financial Year). See the definitions below.

However, you do not need to file a return if the following applies:

- Your only income was from employment (other than from employment earned abroad and paid in foreign currency).

Even if you are not required to file a return, you should file if you are due a refund and want to receive that refund.

If you are required to file a tax return, you must file Form patakha(wanga)-1a, Associations Income Tax Return or Form patakha(wanga)-1b, Individuals Income Tax Return.

**Non-resident foreigner (including a foreign association, company, cooperative, and state-owned economic enterprise [SEE]).** You are required by law to file a return of your **total income from all sources within Myanmar** and calculate the tax due for the period 1 October 2018 to 30 September 2019 (Financial Year). Income earned outside of Myanmar and income exempt from tax within Myanmar is excluded. See the definition below.

**Income exempt from tax.** The following classes of income are exempt from income tax and should not be included on this return:

- Income received by a religious or charitable organization and used solely for religious or charitable purposes.
- Fees charged by a local authority.
- Pension, income converted from pension or gratuity
- Compensation for death or physical injury.
- Insurance proceeds.

- Income of a casual and non-recurring nature (other than from an enterprise or from capital gains). Capital gains are reported separately on the *Capital Gains Tax Return*.
- Share of the profits (including dividends), after the income tax is paid, of an association of persons.
- Income received by newly established small- and mid-sized enterprises during their first 3 years if their total net income within a year does not exceed 10 million kyats for 3 years in a row, including the first year the business began operating. Tax will be charged on the income in excess of 10 million kyats.
- Reward received within a year for seizures made under the Narcotics and Psychotropic Substances Law (regardless of how often received) up to a maximum of 10,000,000 kyats.
- Reward received within a year for seizures of contraband goods (regardless of how often received) up to a maximum of 10,000,000 kyats.
- Endowments attached to a title conferred by the Union Government.
- The Union Government is also authorized to grant exemptions from tax for the following types of income:
  - Income received from donations for social, religious, health, or educational causes in Myanmar from domestic or foreign employers or international organizations.
  - Aid provided for Myanmar by domestic or foreign organizations.
  - Interest received from below-market rate loans to the Union Government or from official development aid loans.
  - donated property or donations provided by domestic or foreign organizations in the event of natural disasters
- Pension, the income changed from pension and gratuity received when civil servant retires.
- Lottery winnings received from the Aung-bar-lay government lottery (state lottery).
- Income from salary received in foreign exchange by a citizen residing abroad.
- Tax incentives stipulated under any Law relating to the United Nations, Diplomats, Counselors, International Organizations, Investment and Special Economic Zone, and any other law relating to income tax.
- Rewards from the state on finding antiques.



## Definitions

**Association.** An association of persons includes a partnership, joint venture, companies, association formed by individuals, association or institution formed or registered under existing law, co-operative society, and Government enterprise.

**Business.** The term “business” includes any trading business, commercial business, services business, or production business and any similar business. It also includes the buying or transfer of securities or investing in securities if such acts are performed repeatedly in a year as a business engaged in for profit.

**Resident foreigner.** A resident foreigner is:

- For a company, a company formed under the Myanmar Companies Act or any other existing law wholly or partly with foreign shareholders,
- For an association other than a company, an association formed wholly or partly with foreigners and where the control, management and decision making of its affairs is situated and exercised wholly in Myanmar.

**Non-resident foreigner.** A non-resident foreigner is any foreigner who is not a resident.

**Non-resident citizen.** A non-resident citizen is a citizen of the Republic of the Union of Myanmar who resides and earns income outside Myanmar during any time of the year. Citizen includes an associate citizen or a naturalized citizen.

**Company.** A company is a company as defined in the Myanmar Companies Act or in any other existing law. This term includes any foreign economic enterprise carrying on business in Myanmar which is treated as a company by the Union Government.

## When To File and Pay

Your return must be filed and the tax due must be paid no later than 2 January 2020. If you discontinue your business during the year, your return must be filed for the period through the date of the discontinuance no later than one month after that date. Also, companies that are dissolved or discontinued are required to notify the Directorate of Investment and Company Administration (DICA) to de-register the company.

## Penalties

You are liable for a penalty of 10 percent of the amount of tax due if you fail to

- register as required under a tax law;
- notify the changes in taxpayer information;
- apply for cancellation of the taxpayer’s registration as required by a tax law;

You are liable for a penalty not exceeding K250,000 if you

- use a false taxpayer identification number or a taxpayer identification number that does not apply to you;
- issue a false invoice or sales receipt;
- issue a false credit note or debit note;
- provide or fail to provide an invoice, credit note, debit note, or sales receipts otherwise than as provided for pursuant to a tax law.

If you are required to file a tax return, but you fail to do so by the due date, you are liable to a penalty equal to the greater of \_

- five percent of the amount of tax owing, plus further one percent of the amount of tax owing for each month or part of a month during which the failure to file continues, but not beyond the time when the Director General issues an assessment, or
- K 100,000.

“Amount of tax owing” includes instalments of tax for the year.

The penalty does not apply if you had reasonable cause for not filing on time.

If tax is underpaid, or might have been underpaid, as a result of an incorrect statement or material omission in the tax return, and that statement or omission is a result of intentional conduct or negligence on your part, you are liable to a penalty in the amount of \_

- 75 percent of the underpayment if the amount of underpayment is more than K100,000,000 or 50 percent of your tax liability.
- 25 percent of the underpayment if the above paragraph does not apply.

If the amount payable by or refundable to you is inferior to or exceeds the actual payable or actual refundable amount as a result of assessing the tax on the false or misleading statement made by you, you are liable for a penalty of K 150,000 and the greater of \_

- the difference between an actual amount of tax payable and an amount of tax that would have been reduced; or
- the difference between an actual refundable amount and an amount that would have been refunded in excess.

If you fail to maintain proper documents as required by the Tax Administration Law or any tax law, you are liable for a penalty described below for each day or part of a day during which the failure continues –

- K 5,000 per day for each day the failure continues if you have a tax liability of not more than K500,000;
- K 50,000 per day for each day the failure continues if you have a tax liability of not more than K5,000,000;

- K 100,000 per day for each day the failure continues if you have a tax liability of more than K5,000,000;

Failure to comply with a notice issued under section 60 shall result in a penalty of 25 percent of the difference between the amount payable by the third party and the amount paid by the due date specified in the section 60 notice.

Failure to provide a tax officer with reasonable facilities and assistance to perform official duties as required under the Tax Administration Law or a tax law shall result in a penalty not exceeding K500,000.

Failure to comply with a request for information made under the Tax Administration Law or a tax law within the specified time shall result in a penalty not exceeding K500,000.

Late payment shall result in the following -

- Penalty equal to 10 percent of the amount of tax due but not paid for failure to pay all or part of a tax due within fourteen days of the date of assessment or reassessment or by the due date specified in the notice of assessment
- Penalty equal to 10 percent of the amount of tax due but not paid for failure to pay all or part of an installment required pursuant to a tax law by the due date for the installment

In addition, if you willfully evade the assessment, payment, or collection of tax, or willfully claim a refund of tax to which you are not entitled, you are guilty of an offence and are liable on conviction to a fine that is the greater of K250,000 or 100 percent of the tax you have evaded for the period, or to imprisonment for a term up to seven years or both.

## How To Complete the Return

Complete only those parts of the return that apply to you. Express all figures in kyats. This includes all figures noted on any schedules or attachments. For income received and expenses paid in a foreign currency, convert the foreign currency amounts to kyats using the rate in effect on the date the income was received or the expenses were paid or incurred. For Parts A through C, report amounts from within Myanmar in column (a) and amounts from outside Myanmar in column (b). If you are a non-resident foreigner, leave column (b) blank.

**Be sure to read the line instructions, if any, that apply to the line you are completing.** If there are no instructions for a line, that line is considered self-explanatory.

Finally, do not forget to sign the **Declaration of Taxpayer or Representative** on page 7. Also, if you paid a person to prepare your tax return, ensure that he or she signs the **Declaration of Paid Preparer** on page 6. Please note that submission of false

documents is a violation of Section 177, Myanmar Penal Code.

## Specific Instructions- Associations Income Tax Return

### Taxpayer Details

#### Line D

- Check the “initial return with IRD” box if this is the first income tax return you have filed for the taxpayer.
- Check the “amended return for 2018/2019 income year” box if you are correcting a previously filed return for the 2018/2019 income year.
- Check the “final return with IRD” box if this is the last income tax return for this taxpayer (for example, the taxpayer no longer exists because it went out of business).
- Check the box “MIC/SEZ exemption” if you are claiming an exemption to income tax based on a MIC/SEZ permit. Attach a copy of the applicable permit and a calculation of the amount of the exempt income.
- Check the “change of address” box if you changed your address since your previous tax return was filed.
- Check the “Listed public company on Yangon Stock Exchange” box if this taxpayer is a public company listed on Yangon Stock Exchange calculating 20% income tax on net profit.
- Check the “accounting/inventory valuation method change” box if you have changed your method of accounting or inventory valuation since your last income tax return was filed.

### Taxpayer Details

In the Taxpayer Details area, include your Customs IE Code and Industry Code.

## Part A – Business Income & Expenses

**Accounting method.** Generally, you must use Myanmar Accounting Standards to compute your income and expenses. However, an individual may use the cash method of accounting or any other reasonable method. Under the cash method, income is taken into account when received or made available to you and expenses are taken into account when paid.

## Part A, Line 1

**Business income.** On this return, business income means the profits arising from a business. Business income also includes interest earned on investments, as well as income from securities, treasury bonds, and debentures. It does not include capital gains. Capital gains are reported only on the separate *Capital Gains Tax Returns*. Types of business income include:

- Income derived from a business transferred by the taxpayer, either directly or indirectly and without sufficient cause, to his or her spouse or unmarried children; and
- A payment received as consideration for accepting a restriction on the capacity to carry on business; and
- Recovery of business bad debts that were deducted in a prior year; and
- Income from cancellation of business debts you incurred.

Attach a **schedule** detailing each type of income included on this line.

In computing your business income, **do not** include commercial tax.

## Part A, Lines 2a through 2i

**Expenses.** Generally, a deduction is allowed for any business expense or loss to the extent paid or incurred by you during the assessment year in the production of income subject to tax. Business expenses include depreciation.

In computing your business expenses, **do not** include commercial tax.

However, **no deduction** is allowed for:

- Any expense or loss to the extent it is of a personal nature; or
- Income tax; or
- Commercial tax; or
- Capital losses; or
- Expenses of acquiring, producing, or improving property or for other expenses chargeable to capital account, including indirect expenses such as depreciation, interest, or taxes incurred during the construction period; or
- Expenses that are not in proportion to the size or the volume of the business; or
- Inappropriate expenditures (such as bribes, fines and penalties, gambling losses, and purchases of illegal or stolen goods); or
- Payments made to a member of an association other than a company or co-operative society, unless the payments were made for professional services.

## Part A, Line 2a

**Cost of sales or operations.** If you maintain stocks of goods in process or of finished goods, you must establish and maintain inventories of such stocks. Enter on this line your deduction for cost of goods sold. Include a **schedule** showing the computation of Cost of Sales or Operations.

The deduction for the cost of goods sold is determined by adding to the opening trading stock the cost of goods acquired during the year, and subtracting the closing trading stock.

## Part A, Line 2b

**General and administrative expenses.** Include a **schedule** listing all general and administrative expenses.

## Part A, Line 2c

**Staff/labour costs.** Include all amounts not included on Line 2a on this line.

## Part A, Line 2f

**Depreciation.** A deduction is allowed for depreciation of your depreciable assets. Calculate the depreciation as per the rates of depreciation shown in Notification 19/2016, dated February 4, 2016. You must attach to your return a **schedule** showing how you calculated the depreciation using the following rules:

1. Depreciable assets are classified and depreciation rates are shown in the **Straight Line Depreciation Rate**.
2. The depreciation allowed for each asset is the relevant depreciation rate specified above multiplied by the original cost of the asset.
3. Assets not shown on the depreciation schedule will be depreciated at the rate of 5 per cent per annum based on the original cost.
4. The aggregate amount of depreciation allowed for any asset for all years may not exceed the original cost paid by the taxpayer.
5. If you rent both buildings and machinery to a tenant, and the amount of rent cannot be separately divided between the buildings and the machinery, the depreciation allowance for the building and machinery are both deductible.
6. If you did not use an asset for the whole year, you are entitled to a full year of depreciation unless you transferred the assets to a new owner during that year.
7. In the year you transfer the assets to a new owner, the owner who last owned and used the assets is entitled to the full depreciation allowance for that year.
8. The depreciation allowance when computing income from within and outside of Myanmar (if

the asset is not included in the table below) may be granted as allowed in the country in which the control and management of that enterprise is located.

9. The depreciation allowance deductible in respect of tools, apparatus and appliances or other capital assets not mentioned in the depreciation schedule will be at the rate of 5 per cent per annum on the original cost. However, if you want to use a depreciation rate, which is more or less than the rate shown in the schedule, according to the useful life of the asset, please submit a request with sufficient reason and documentation to the Director General of the Internal Revenue Department.
10. Where a depreciable asset is only partly used for the purpose of producing income subject to tax, only so much of the depreciation as relates to that use is allowed as a deduction. Where you have incurred costs in more than one year for a

depreciable asset, depreciation is calculated as if the costs incurred in different years were for different assets.

11. Where a building is bought or sold together with land, you must apportion the total consideration reasonably to arrive at a separate value of the building.

**Amortization.** Intangible assets having a finite life and used for the production of income subject to tax are amortized over the useful life of the asset. A variety of amortization methods can be used to allocate the depreciable amount of an asset on a systematic basis over its useful life. These methods include the straight-line method, the declining balance method, and the unit of production method. Include deductible amortization on this line. You must attach to your return a schedule showing how you calculated the amortization. Intangible assets with an indeterminate life cannot be amortized.

Depreciation Schedule				
Sr	Class of Asset		Rate on original cost	
1	a	Building		
		First class substantial building constructed with selected materials and reinforced concrete		
	1	Factory buildings		2.5
		2		Other buildings
	b	Second class building of less substantial construction		
		1		
	2	Other buildings		2.5
		c		Wooden building with tile or corrugated iron roofing
	1			Factory buildings
	2	Other buildings		5
d		Building with bamboo and thatch	replacement cost allowed as revenue expenditure	
2	a	Furniture and fittings installed buildings		
		General (Except for crockery, glassware, linen and plastic sheets, replacement cost allowed as revenue expenditure.)		5
		b		Furniture and fittings, silverware and kitchen equipment used in hotels, cinemas and boarding houses
c	Musical instruments used in hotels, theatres and cinemas	10		
	3	Machinery and Plant		
a	General			5

	b	Special rates for the following -	
	i	Rice mills	6.25
	ii	Flour mills	6.25
	iii	Oil mills	6.25
	iv	Ice factories	6.25
	v	Aerated water factories	6.25
	vi	Coffee mills	6.25
	vii	Black tea factories	6.25
	viii	Liquor distilleries	6.25
	ix	Bakery and biscuit factories	6.25
	x	Noodle, mini-noodle, vermicelli and mohinga noodle-works	6.25
	xi	Grinding mills	6.25
	xii	Canneries	6.25
	xiii	Tanneries	6.25
	xiv	Footwear factories	6.25
	xv	Battery works	6.25
	xvi	Starch factories	6.25
	xvii	Soap factories	6.25
	xviii	Candle factories	6.25
	xix	Rope making factories	6.25
	xx	Aluminum-ware works	6.25
	xxi	Tin and can making works	6.25
	xxii	Plastic-ware plant	6.25
	xxiii	Saw mills	6.25
	xxiv	Lime works	6.25
	xxv	Electrical appliances factory	6.25
	xxvi	Quarries	6.25
	xxvii	Metal smelting plant	6.25
	xxviii	Lathe works	6.25
	xxix	Dockyards	6.25
	xxx	Pea-shelling mills	6.25
	c		
	i	Fatty acid hydro-generation plant	10
	ii	Chemical product factories	10
	iii	Bleaching and dyeing factories	10
	iv	Rubber goods factories	10
	v	Brick manufacturing works	10
	vi	Tile making works	10

		vii	Wire and nail mills	10
		viii	Textile mills	10
		ix	Salt works	10
4			Machinery Equipment	
	a		Overhead electric cables	2.5
	b	i	Electric generator	6.25
		ii	Electricity transmission machinery	6.25
		iii	Underground electric cables	6.25
		iv	Electric lift and elevators	6.25
		v	Miscellaneous electrical goods	6.25
		vi	Metal-plating works	6.25
		vii	Machinery repair and maintenance machines	6.25
		viii	Printing presses	6.25
		ix	Air compressor and maintenance machines	6.25
	c		Ice-cream making machines	10
	d		Motion picture production and exhibition machines	12.5
	e		X-ray and therapeutic electrical apparatus	20
5			Waterway Transport	
	a		Non-mechanized vessel constructed with iron	5
	b		Mechanized vessel constructed with iron	6.25
	c		Vessel constructed with timber	10
6			Road Transport Vehicles	
	a	i	Motor vehicles	12.5
		ii	Bicycles and trishaws	12.5
	b		Vehicles for hire, haulage vehicles, passenger cars and non-mechanized vehicles	20
7			Miscellaneous	
	a	i	Office equipment	10
		ii	Weighing machines and apparatus	10
		iii	Workshop machines and instruments	10
		iv	Garment and headwear production machines	10
		v	Leather and canvas goods making machines	10
		vi	Refrigeration plant	10
		vii	Building construction works machines	10
		viii	Construction and household ironware producing machines	10
		ix	Mining machinery	10
		x	Handlooms	10
	b	i	Sugarcane juice extracting machines	12.5



	c	ii	Surgical instruments	12.5
		i	Mechanized farming machinery	20
		ii	Winches	20
8			Other Miscellaneous Items	
		i	Aircraft	12.5
		ii	Accounting machines, calculator	10
		iii	Actor's accessories	20
		iv	Recording & amplifying equipment	10
		v	Bottle washing machine	10
		vi	Box and carton (cardboard) plant	6.25
		vii	Breweries and distilleries	5
		viii	Cameras and photographic equipment	10
		ix	Cement factories	6.25
		x	Chemical manufacturing plant	6.25
		xi	Computers and accessories	20
		xii	Cotton machinery	6.25
		xiii	Dairy farm plant	10
		xiv	Photocopier	10
		xv	Iron foundries	5
		xvi	Glass manufacturing plant	6.25
		xvii	Insecticide plant	12.5
		xviii	Knitting & weaving machinery	6.25
		xix	Washing and dyeing plant	
			General use instrument	10
			- Washing machine	12.5
		xx	- Match factories	5
		xxi	Oil companies	
			Plant machineries	5
			- Pipelines	5
			- Shaft drilling equipment	20
			- Oil rigs	10
			- Geophysical survey equipment	10
			- Seismic survey equipment	10
			- Other survey equipment	10
		xxii	- Oxy-acetylene equipment	5
		xxiii	Paint, varnish manufacturing plant	6.25
		xxiv	Poultry processing plant	6.25

	xxv	Sewing machines	10
	xxvi	Sewing machines	6.25
	xxvii	Sugar mills	10
	xxviii	Tarpaulin (canvas, plastic)	12.5
	xxix	Television	
		Antenna	2.5
		- Other equipment	12.5
		- Receiver	
		- General	10
		a. For hire	12.5
	xxx	b. Tile manufacturing plant	10
	xxxi	Typewriters (electronic, manual)	10
	xxxii	Umbrella manufacturing plant	10
	xxxiii	Vacuum cleaner	10
	xxxiv	Videos	
		Game machines	20
		- Other video machines	10
	xxxv	- Washing machines	12.5

### Part A, Line 2i

**Other expenses.** Attach **schedule**. Unused (excess) commercial tax input tax for the year is entered on this line. This applies to non-exporters only. Exporters may apply for an overpayment of unused commercial tax input tax on the annual commercial tax return.

### Part B – Rental Income and Expenses

#### Part B, Line 3g

**Depreciation & amortization.** Attach a **schedule** listing all assets for which a deduction for depreciation/amortization is claimed.

#### Part B, Line 3h

**Other expenses.** Attach a **schedule** listing all expenses claimed on line 2h.

### Part C – Other Income & Expenses

#### Part C, Line 1

Report on this line all income other than the income reported in Parts A or B. Attach a **schedule** detailing each type of income included on this line.

### Part C, Line 2

**Expenses.** Report on this line all deductible expenses other than expenses reported in Part A or B. See the instructions for Part A, lines 2a through 2i, for additional instructions that also apply to Part C, line 2. The instructions that apply to business income and expenses also apply to other income and expenses. Attach a **schedule** detailing each expense included on this line. Losses on capital assets are not deductible and should not be included on line 2.

### Part D – Computation of taxable Income

#### Part D, Line 1d

**Total net income (loss) before carryover losses.** If the sum of line 1a, 1b, and 1c is a loss, enter the amount on line 1d in brackets "( )". Skip the rest of Part D and enter -0- on Part E, line 1.

#### Part D, Line 2

**Carryover losses.** Enter the amount of any loss carried over from the years indicated on lines 2a, 2b, and 2c. Losses from any source of income may be used to offset income from any other source. Losses may only be carried over for three consecutive years.



## Part D, Line 2d

If you have a MIC permit or other documentation that allows you to carry over losses for more than 3 years, attach the document to your tax return. Enter on line 2d carry over losses that are older than 3 years based on the documentation you supplied.

## Part D, Line 3

**Total net income before MIC exemption and allowances.** Line 1d minus 2e. If a net loss, enter -0-. Skip the rest of Part D and enter -0- on Part E, line 1.

## Part D, Line 4

**Amount of income exempted based on MIC permit.** If you received a permit from MIC allowing the exemption from income tax, enter the amount of income exempted on this line. Attach a **schedule** showing how the exempted income was computed and attach a **copy** of the MIC permit.

## Part D, Line 5

**Total net income after MIC exemption but before allowances.** Line 3 minus 4. If a net loss, enter -0-. Skip the rest of Part D and enter -0- on Part E, line 1.

## Part D, Line 6

### Basic Allowance - Co-operatives Only

This line is completed by co-operative taxpayers only. Enter 20% of line 5 up to a maximum of MMK 10,000,000. Do not enter more than MMK 10,000,000.

## Part D, Line 7

**Total taxable income before deduction for donations.** If you are a non-resident foreigner, enter the amount from line 7 on line 9 since you are not entitled to deductions in Section 6a of the Income Tax Law.

## Part D, Line 8

**Donations.** The amount of contributions to religious or charitable institutions sponsored by the state or recognized by the Ministry of Planning and Finance may be deducted, but the deduction is limited to 25% of your total net income shown on line 7. Institutions relating to education, health, and relief for the poor are included as charitable institutions for this purpose.

## Part D, Line 9

**Total taxable income.** Subtract line 8 from line 7 and enter the amount on line 9. Also, enter the amount on Part E, line 1.

## Part E – Tax Computation

### Part E, Line 2

**Tax is computed based on the following rates:**

- **Companies registered and incorporated in Myanmar under the Myanmar Companies Act or the Special Companies Act (1950).** The rate is 25% on total income. Reliefs under Section 6 are not applicable.
- **Listed public company on Yangon Stock Exchange.** The income tax rate is 20% in Kyats on total net income. Reliefs under Section 6 are not applicable.
- **Primary cooperative societies.** Use the tax rates for individuals.
- **Non-primary cooperative societies.** The rate is 25% on taxable income.
- **State-owned Enterprises.** The rate is 25% on taxable income. Reliefs under Section 6 are not applicable.

### Part E, Line 3a

**Total quarterly advance tax payments.** Enter on this line the total of quarterly installments of income tax paid in advance for the year. If you were required to pay its tax in installments, the installments should have been paid no later than 10 January 2019, 10 April 2019, 10 July 2019 and 10 October 2019.

### Part E, Line 3b

**Income tax withheld.** Include on this line withheld taxes on the following types of income:

- Interest paid to non-resident foreigners.
- Royalties for the use of licenses, trademarks, patent rights, etc. paid to resident citizens, resident foreigners, and non-resident foreigners.
- Payments on contracts and the purchase of goods and services within Myanmar made to resident citizens, resident foreigners, and non-resident foreigners.

### Part E, Line 3c

**Income tax paid to Customs Department.** Indicate on this line the amount of tax paid to Custom Department for importation and/or exportation of goods.

### Part E, Line 3d

**Income taxes paid to foreign governments under terms of a tax treaty.** Indicate on this line the amount of taxes paid to foreign governments under the terms of a tax treaty. Note the treaty country on line C of the Taxpayer Details Section.

## Part E, Line 3e

**Amount of tax overpaid last year carried over to this year.** Enter the amount of tax overpaid from last year that you elected to have applied to this year's tax liability.

## Part E, Line 4

**Balance due.** The amount on line 4 is the amount you must pay the balance due when you file the return. You must file the return at the Township Revenue Office, Medium Taxpayer Office or Large Taxpayer Office, whichever applies.

You must pay the tax at the Myanmar Economic Bank. Retain the challan (or receipt) that you receive from the bank for your records. You can make payments by using MPU card that can be reached through [www.ird.gov.mm](http://www.ird.gov.mm) website or by using Customer Credit Transfer Function (CCT) under CBM-Net system of Central Bank of Myanmar that can be reached through private banks. Once the payment is received by the relevant accounts of MEB, the receipt of payments made through MPU or CBM-Net will be kept with secured QR code and sent to the taxpayer (to the payer) by email. This electronic receipt is deemed to be a challan and can be retained as your record.

## Part E, Line 5

**Amount overpaid.** The amount on line 5 will be refunded to you in accordance with Section 43 of the Tax Administration Law if you have made no errors in completing the return.

A refund or credit may be made only if the taxpayer applies for it within six years after the end of the tax period to which the assessment relates or if the Director General finds it within that period. If you would like the tax overpayment to be refunded, tick the box on line 5.

## Part F – Statement of Financial Position

Enter the amounts as shown on the accounting books and records for the years ended 30 September 2018 and 30 September 2019. Attach a copy of any explanatory notes to the financial statements, but you do not have to attach a complete copy of the financial statements.

Ensure that you enter financial information on the appropriate line on the balance sheet. Do not change the lines on Part F.

Accumulated depreciation or accumulated amortization should be entered in the brackets on line 2b and line 4b. Since the brackets already denote a negative number, do not enter a negative number on line 2b or line 4b.

## Part G – Reconciliation of Book Income (Loss) to Taxable Income

On line 1, enter the income or loss shown in your accounting books and records. Do not enter your taxable income. Include both business and property income or loss.

Be certain to attach the required **schedules** if amounts are shown on line 3, line 4f, line 6, or line 8c.

## 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 in the middle of page 6. If an employee of yours prepared the return, no signature is required in this part.

Please note that the submission of false documents is a violation of Section 177 of the Myanmar Penal Code.

## Declaration of Taxpayer or Representative

Before you file the return, you must ensure that the return is signed at the bottom of page 7:

- 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 Government organization, by a person responsible for administration or accounts.

Please note that the submission of false documents is a violation of Section 177 of the Myanmar Penal Code.