

According to Article 389 of the Constitution of the Republic of the Union of Myanmar, 2008, every citizen has the obligation to pay the taxes due to the law.

IRD (IT)-03-01(b)

2023- 2024 Consolidated Capital Gains Tax Return according to Tax Administration Law section 22 and Income Tax Law section 17, subsection (a)

(see separate instructions to properly complete the tax return)

(for Consolidated Capital Gains Tax Return for the Months of 1 April 2023 to 31 March 2024)

TAXPAYER DETAILS	A. Type of taxpayer: Tick applicable box ► <input type="checkbox"/> Individual <input type="checkbox"/> Company <input type="checkbox"/> State-owned Economic Enterprise <input type="checkbox"/> Primary Cooperative <input type="checkbox"/> Non-Primary Cooperative <input type="checkbox"/> Association (Other)		
	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 - if an individual, enter number of days you were a resident during the year ► _____		
	C. Name of tax treaty country (if any) ► _____		
	D. Tick applicable box(es): <input type="checkbox"/> Amended return for 2023 -2024 income year <input type="checkbox"/> Change of address <input type="checkbox"/> Company is a participant in the oil and gas exploration and production sector		
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	

PART A	
TOTAL CONSIDERATION RECEIVED	
(a) Description of Assets Sold, Exchanged, or Transferred	(b) Consideration received
1a. Shares, bonds and similar instruments (enter description)	
b. Land (enter description)	
c. Building, plant, and equipment (enter description)	

d. Other assets (enter description)	
2. Total consideration received (Add lines 1a+1b+1c+1d in column (b))	

PART B				
TOTAL ADJUSTED COST				
(a) Assets Sold, Exchanged, or Transferred	(b) Original cost (or market value if applicable)	(c) Allowed additions to original cost (or market value if applicable)	(d) Accumulated depreciation for prior years	(e) Totals
1a. Shares bonds and similar instruments from Part A				
b. Land from Part A				
c. Building, plant, and equipment from Part A				
d. Other assets from Part A				
2. Add the amounts in each of columns (b), (c), and (d)				
3. Add columns (b) and (c) on line 2				
4. Enter the amount from line 2, column (d)				
5. Total adjusted cost. Line 3 minus line 4				

PART C	
NET CAPITAL GAINS & TAX DUE	
1. Total consideration received. Enter the amount from Part A, line 2	
2. Total adjusted cost. Enter the amount from Part B, line 5	
3. Capital gains. Line 1 minus line 2. (If zero or less, enter -0-; do not complete the rest of this form. You do not owe tax on net capital gains).	
4. Net tax due. Multiply line 3 by 10%. Oil and natural gas sector companies, see instructions for the tax rates that apply (attach bank receipt)	
5. Total advance tax payments	
6. Amount of tax overpaid last year carried forward to this year.	
7. Balance due. Line 4 minus the sum of line 5 + line 6. If zero or less, enter -0-.	
8. Amount overpaid. The sum of line 5 + line 6 minus line 4. If zero or less, enter -0-. The amount overpaid will be refunded in accordance with the Section 43 of the Tax Administration Law. If there is a remaining amount of overpayment after complying with the Section 43 of the Tax Administration Law and you want to carry forward it to the next year, tick the box. <input type="checkbox"/>	

PART D	
ADDITIONAL INFORMATION (tick the applicable box for each question)	
1. Was any disposal of an asset between related parties or otherwise not at arm's length? If "Yes," attach a statement with the name, address, and relationship to you of the related party or an explanation of the reason the disposal was not at arm's length.	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Were any of the original acquisitions of assets between related parties or otherwise not at arm's length? If "Yes," attach a statement with the name, address, and relationship to you of the related party or an explanation giving the reason the acquisitions were not at arm's length.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Was the market value substituted for the cost of acquisition of any assets disposed of? If "Yes," attach a statement explaining why market value was substituted (for example, the transfer was a gift or inheritance).	<input type="checkbox"/> Yes <input type="checkbox"/> No

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 (DD/ MM/ YYYY)	
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			
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		Date (DD/ MM/ YYYY)	
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 for Consolidated Capital Gains Tax Return according to Tax Administration Law section 22 and Income Tax Law section 17, subsection (a)

Who Must File

Any person who sells, exchanges, or transfers by other means one or more capital assets must file a capital gains tax return if a taxable capital gains results from the transaction. However, an inheritance, gift without consideration, or donation is not included within the term “transfer”. Capital gains are reported only on this return and not on your annual income tax return.

Capital gains means any profit realized from the sale, exchange, or transfer of a capital asset. The profit is the total consideration received minus the adjusted cost of the asset. Losses from other capital assets cannot be used to offset carryback of capital gains to related years or other taxable income.

Capital asset means any land, building and the rooms therein, vehicle, and any asset contributed to or otherwise acquired by an enterprise. Shares, bonds, securities, and similar agreements are included within that term. Securities are given the same definition as under the Securities Exchange Law.

For a resident citizen, resident foreigner, non-resident citizen, domestic association, company, cooperative, or state-owned economic enterprise, all capital gains realized both within and without Myanmar are taxable. For a non-resident foreigner or a foreign economic organization investing under the Republic of the Union of Myanmar Foreign Investment Law, only capital gains from sources within Myanmar are taxable. If you are a non-resident foreigner, you must pay the tax on the capital gains in the type of currency (foreign currency) received.

What Form to File

Capital gains may be reported as the transactions occur within an income year using the Transaction Capital Gains Tax Return. Alternatively, you may choose to report all capital gains transactions occurring within an income year on a consolidated annual basis using the Consolidated Capital Gains Tax Return. The due date for the tax return is different depending on the form used.

When To File – Transaction Capital Gains Tax Return

You must file this return no later than 30 days from the date in which the capital gains transaction occurred. Generally, a transaction is completed on the earlier of (a) the date of the execution of the deed of sale, exchange, or transfer, or (b) the date of delivery of the assets. If the due date for filing falls on a non-work day or a gazette holiday, the tax return is due on the subsequent workday.

When To File – Consolidated Capital Gains Tax Return

You must file this return within three months from the end of the income year in which the capital gains transaction(s) occurred; that is, by 1st July 2024 following the end of the 2023-2024 income year (1st April 2023 to 31st March 2024). If the due date for filing on a non-work day or a gazette holiday, the tax return is due on the subsequent workday.

When To Pay – Capital Gains Tax

Payment for capital gains tax must be made within 30 days after the transaction occurred. That means to avoid penalties, all capital gains tax must be paid by 30 days after the date of transaction regardless of the type of tax return used. Payment made after 30 days after the transaction occurred will result in penalties.

Penalties

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 monthly or quarterly instalments of tax for the year.

If you are unable to file or pay within the stipulated time, you can apply, in advance, to the relevant tax offices for an extension of time on a prescribed form in accordance with the Tax Administration Law. If the extension is granted, the penalty does not apply and you will not be prosecuted.

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 your failure to file a tax return is to wilfully impede or to attempt to impede the administration of tax in accordance with the Tax Administration Law, you are guilty of an offence and are liable on conviction to a fine of K250,000, or, to imprisonment for a term up to one year, or both.

Specific Instructions

General. Capital gains are reported to the Internal Revenue Department on a transaction or an annual basis. For transaction basis, a capital gains tax return is required within 30 days of the date of the transaction. For consolidated basis, all capital gains transactions that occur within the 2023-2024 income year (1st April 2023 to 31 March 2024) are consolidated and reported.

Taxpayer Details

Line D. Check the “amended return” box if you are correcting a previously filed capital gains tax return for this tax period. Check the “change of address” box if you changed your address since your previous tax return was filed. Check the “Company is a participant in the oil and gas sector” box if your business is involved in the oil and gas industry.

Part A, General

If your transactions on a specific date or during the year exceed the space available in Part A, attach a schedule listing each transaction separately. Enter the summary figures from the schedule in Part A, columns (a) and (b).

Part A, column (a)

Enter a description of each capital assets sold, exchanged, or transferred (for example, 100 common shares of XYZ Insurance Company). Do not include transfers of inherited assets, gifts without consideration, or donated property.

Part A, column (b)

Enter the amount of consideration received. Do not subtract stamp duty, brokerage commissions, or any other expenses of sale in Part A. These expenses will be entered in Part B. If you transferred an asset, enter the cash plus the market value of any property or services received. The term “market value” means the consideration in money that a similar asset would generally fetch on the same transaction date, being freely offered, and made between persons who are not related.

If the amount of consideration received was issued in a foreign currency, you must convert the amount in foreign currency to its value in kyats using the official exchange rate on the transaction date.

Part B – General

If your transactions on a specific date or your transactions during the year exceed the space available in Part B, attach a schedule listing each transaction separately. Enter the summary figures from the schedule in Part B, columns (b), (c) and (d).

Part B, column (b)

Enter the original amount paid for the asset. If the original cost to purchase the asset is unknown or the asset was acquired by inheritance or gift, the market value (as defined above under Column (b)) at the time of acquisition of the asset is deemed to be the original cost. For an asset acquired by you before 1 April 1997, the original cost is deemed to be the market value of the asset on 1 April 1997. According to Interpretation Statement No. 2/2019, a lessor receiving a lease premium for the lease is receiving the lease premium for the transfer in accordance with the lease agreement. Therefore, the transfer of such an intangible property (right) is not a transfer of the property, nor is it a sale. Therefore, in calculating capital gains tax, there is no right to deduct the expenses to the original owner of the property, So the original value of assets shall be calculated as ‘zero’.

Part B, column (c)

Enter all expenditures incurred to purchase the capital asset or in the sale, exchange, or transfer of that asset. These include stamp duty, document taxes, attorney’s fees, brokerage commissions, agency commissions, capital expenditures made to improve or extend the life of the asset, etc.

Do not include repairs to the asset that are deductible for income tax purposes. For an asset acquired by you before 1 April 1997, do not include capital expenditures made before 1 April 1997.

Part B, column (d)

Enter the amount of depreciation that you deducted for Myanmar income tax purposes (or that you were entitled to deduct but did not do so) for all prior years. You are not entitled to deduct any depreciation for the year you disposed of the asset. However, you can deduct any depreciation for the year you acquired the asset. For an asset acquired by you before 1 April 1997, do not include any depreciation allowed for the period before 1 April 1997.

Part C

Capital gains are only taxable if they exceed MMK 10,000,000 within a financial year. If capital gains within a financial year exceed MMK 10,000,000, then all capital gains are taxable including the first MMK 10,000,000.

Part C, line 4

Oil and natural gas sector companies. The tax on net capital gain that has arisen from the sale, exchange, or transfer of fixed assets (such as company shares or other assets) by companies participating in Myanmar's oil and natural gas sector is computed as follows:

Taxable net capital gain (kyats)	Income tax (kyats)
0 - 100,000,000,000	Multiply line 3 by 40%
100,000,000,001 - 150,000,000,000	40,000,000,000 plus 45% of the amount on line 3 over 100,000,000,000
150,000,000,001 and Over	62,500,000,000 plus 50% of the amount on line 3 over 150,000,000,000

The amount on line 4 is the amount of tax for all transactions that occurred on the specific date or during the income year. For all transactions, payments must be made within on a quarterly basis but before the end of the income year. According to Union Taxation Law section 27, for foreign capital gains, you generally must pay the tax due on those gains only in the foreign currency included in those gains. However, an oil and natural gas sector company must enter the tax due in kyats equivalent to the foreign currency in all capital gains (including foreign capital gains).

(Caution: When calculating the tax to be paid, the tax amount less than 50 pyas shall not be taken into account, but the tax amount between 50 pyas and one kyat shall be counted as one kyat.)

Part C, line 5

Total advance capital gains tax payments. Enter on the line each payment of capital gains tax paid in advance for the relevant period.

Part C, line 6

Previous year overpayment. Enter the amount of tax overpaid from last year that you selected to have applied to this year's tax liability.

Part C, line 7

Balance due. The amount on line 7 is the amount that is still owed to IRD and is subject to penalty.

The tax payment must be made using MPU Debit Card through www.ird.gov.mm website or using Customer Credit Transfer Function (CCT) of the CBM-Net system of the Central Bank of Myanmar through private banks or using electronic payment system. Once the payment made through MPU or CBM-Net is received by relevant accounts of MEB, a tax receipt with secured QR code will be emailed to the taxpayer. This electronic receipt is deemed to be a challan and can be retained for your record.

Part C, Line 8

Amount overpaid. The amount on line 8 is the amount overpaid for this year if you have made no errors in completing the return.

If the amount of tax which has been paid by a taxpayer exceeds the amount of tax assessed or found to be payable,

- (a) apply the refundable amount against the taxpayer's assessed liability to pay tax, interest, or penalties to which the Tax Administration Law applies; and
- (b) apply an amount remaining against the taxpayer's liability to make advance payments of tax that will become due within the succeeding twelve months.
- (c) Subject to subsection (a) and (b), refundable amounts must be paid.

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 there is a remaining amount of overpayment after complying with the Section 43 of the Tax Administration Law and you want to carry forward it to the next tax year, tick the box on line 8.

Part D, lines 1 and 2

Related party means any member of your immediate family (grandparents, parents, children, and brothers and sisters). It also includes an association or company in which the taxpayer owns at least 50% of the equity or shares.

Arm's length means an agreement entered by two parties freely and independently of each other, and without some kind of special relationship. It is important to determine if an agreement was at arm's length to show that the price was fair and realistic.

Part D, line 3

Market value means the consideration in money that a similar asset would generally fetch on the same transaction date, being freely offered, and made between persons who are not related.

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 at the top of page 3. 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 3:

- 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.

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