



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

January 1  
**2020**

**Annual  
Report for Tax  
Year 2019**

From April 1, 2019 to September 30, 2019

## MESSAGE FROM THE DIRECTOR GENERAL



This report relates to a six-month transitional period as future financial years are being brought into alignment with the Myanmar Government's budget year. During this period, I am pleased to be able to inform readers that the Internal Revenue Department secured total revenues of 3527.127 billion kyats from April 1, 2019 to September 30, 2019. Whole year collection (6748.28 billion kyats) significantly exceeded the annual collection target of 6238.407 billion kyats set by the Union Government. This is the primary purpose for which tax administration exists.

The Internal Revenue Department continued its tax reform program during the transitional tax 'year' and as a part of its efforts to modernize the tax laws, the Tax Administration Law was enacted by Union Parliament on June 7, 2019. We are now developing the processes and procedures which are required for successful implementation of the provisions of this law.

To bring better focus to service and enforcement approaches for medium level taxpayers in the region, the Internal Revenue Department established a new Medium Taxpayer Office (5) in Mandalay during this period. This and other reform efforts continue to be implemented to improve our administration and the tax system as outlined in our Reform Journey: A Plan to Mobilize Domestic Revenue 2017-18 to 2021-22.

Through this 2019 Annual Report the Internal Revenue Department wishes to assure the Government and all citizens of Myanmar that while making progress towards a modernized tax administration through our reform program, we continue to strive to lawfully collect correct tax revenues for the State through the provision of improved services and risk based approaches to enforcement.

A handwritten signature in black ink, appearing to be 'Min Htut', written over a blue horizontal line.

**Min Htut**  
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

 Integrity

 Professionalism

 Collaboration

## Our Values

 Commitment

 Service Delivery

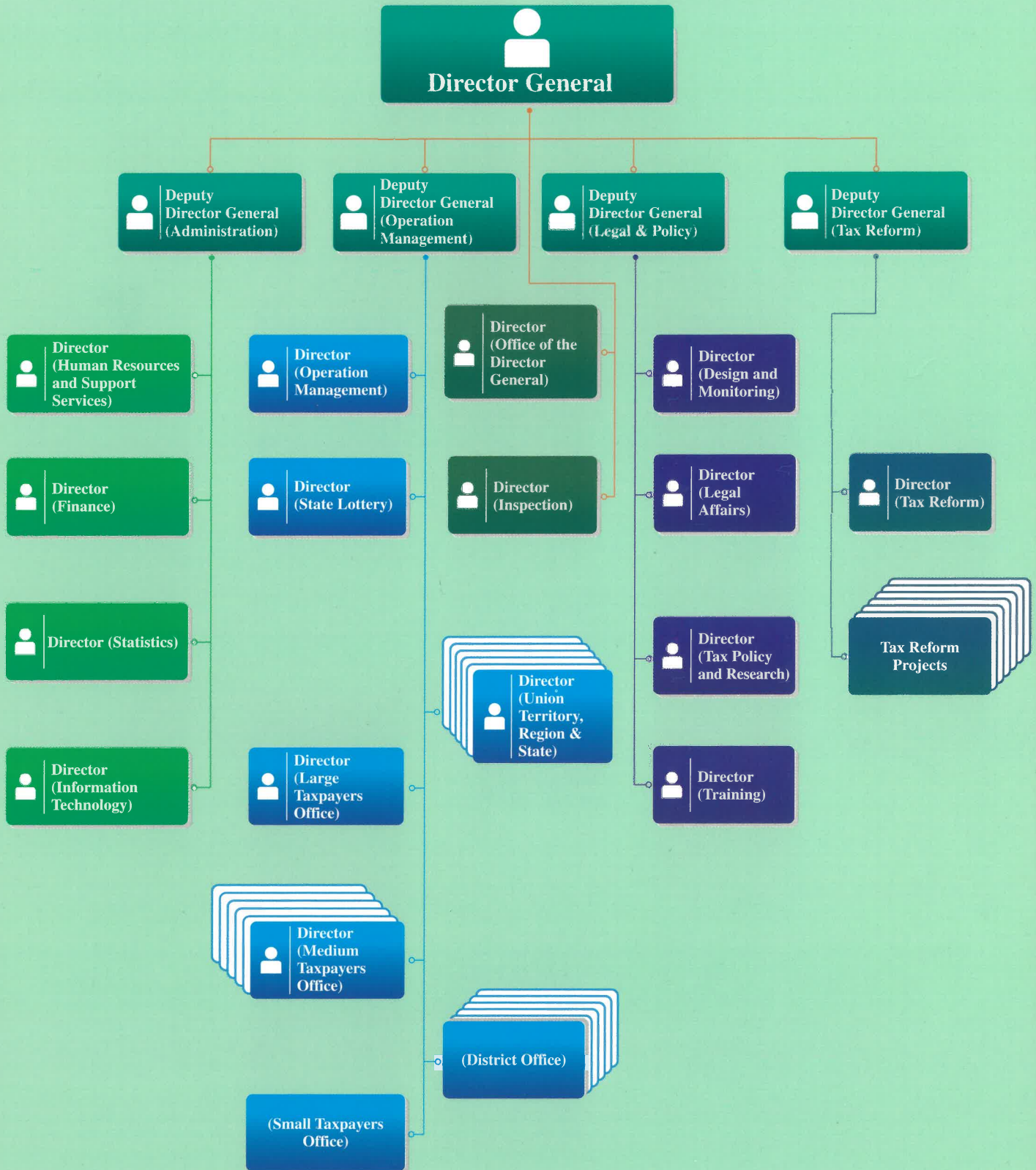
 Valuing People



# OUR ORGANIZATION



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



Every Citizen has the duty to pay taxes to be levied according to the law.

## OUR TAX REFORMS

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

- New Tax Administration Law enacted by approval of Pyidaungsu Hluttaw on 7<sup>th</sup> June 2019. This law provides the foundations for a modern tax administration. Numbers of workshops have been conducted to assist our staff and taxpayers to understand their responsibilities and obligations under this law.
- Modernization of the Income Tax Law progressed with the help of international development partners.
- Capabilities of our staff in managing human resources and undertaking legal interpretation and resolving disputes advanced with increased international organizations' assistance.
- A disciplined project management approach introduced for the implementation of a new IT core system.
- In preparation for further expansion of self-assessment system, Medium Taxpayer Office (4) established in Yangon and Medium Taxpayer Office (5) in Mandalay.
- Centralization of processing and taxpayer services progressed for taxpayers in the self-assessment system.
- Data analysis capability to support risk based responses to taxpayer non-compliance advanced in Headquarters.
- Improvements made to functionality and content of Internal Revenue Department website for improved taxpayer access.

## OPERATIONS REVIEW FOR 2019

**Income Tax** is the largest source of tax revenue and collections amounted to 1,479.131 billion kyats accounting for 41.41 per cent of IRD's collection in TY 2019.

**Commercial Tax and Specific Goods Tax** accounted for 34.22 per cent and 21.41 per cent of IRD collection respectively. While collections of commercial tax amounted to 1,222.314 billion kyats and specific goods tax amounted to 764.653 billion kyats in TY 2019.

**Stamp Duty** on documents amounted to 29.892 billion kyats in TY 2019 and accounted for 0.84 per cent of IRD's collections.

**Lottery Tax** collections amounted to 76.138 billion kyats, contributing 2.13 per cent of collections in TY 2019.

### Revenue Collected by Tax Type

