

# 2018/2019 Republic of the Union of Myanmar Annual Commercial Tax Return

(see separate instructions to properly complete the tax return)  
(for Annual Commercial 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 fiscal year <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.

<b>PART A</b>		(a)	(b)	(c)
<b>Net Commercial Tax on Production and Trading</b>		<b>Total sales (kyats) (not including commercial tax but including specific goods tax) (See instructions)</b>	<b>Tax rate</b>	<b>Tax Multiply (a) x (b) (See instructions)</b>
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	<b>Net commercial tax on production and trading</b> (add lines 1 through 5 )			

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

<b>PART C - Net Commercial Tax Due or Overpaid</b>	
1.	Net commercial tax before payments. Add Part A, line 7 and Part B, line 5
<b>Payments made during the relevant period</b>	
2.	Total allowable commercial tax credit, including on IRD(CT)-31 forms, during the relevant period in production / trading / rendering services (see instructions)
3.	Total allowable commercial tax credit, according to IRD(CT)-32 forms, during the relevant period in importation (see instructions)
4.	Total of monthly payments made during the relevant period
5.	Amount of tax over paid last year carried forward to this year
6.	<b>Total allowable payments made during the relevant period</b> (enter the sum of line 2 + line 3 + line4 + line5) If no payments made, enter -0-.
7.	<b>Balance due.</b> Subtract line 6 from line 1. If zero or less, enter -0-.
8.	<b>Amount overpaid.</b> Subtract line 1 from line 6. If zero or less, enter -0-. If you want this amount <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 the next tax period.

<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. (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	

<b>Declaration of Taxpayer or Representative</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. (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 **both** quarterly and annual tax returns. This form is for the annual commercial tax return **ONLY**. A separate form is used for quarterly 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:

- The goods and services that are exempted commercial tax as prescribed by 2018-2019 Union Taxation Law.
- 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 the annual commercial tax return within three months after the end of each annual period (ending on 30 September). The 2018-2019 annual return is due on January 2, 2020.

### 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 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 monthly or quarterly 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.

## Specific Instructions

### Taxpayer Details

#### 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 2018/2019 fiscal year” box if you are correcting a previously filed annual return for the 2018/2019 fiscal year. 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.

#### Part B, Column (c)

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 5

**All other goods.** 5% commercial tax is charged on the sales price of goods produced and sold in Myanmar, or on the landed costs of imported goods, except for goods exempted in Part A, Line 6.

## Part A, Line 6

**Exempt goods.** The sale of the following goods is exempt from the commercial tax per the 2018-2019 Union Tax Law. Total sales of exempt goods must be entered on line 6.

### Food

1. Paddy, rice, split rice, bran, rough bran, paddy husks, Flour bran, flour bran raw, assorted corn, and other grains, corn powder, other grain powder
2. Assorted bean, broken bean, bean powder, bean bran, bean husk, groundnuts, shelled or unshelled, sesame and sesame flour, residual oil-cake of groundnuts, sesame, cotton seeds, rice bran, etc.
3. Garlic and onions, potatoes, spices (leaves, fruit, seeds, and bark) and prepared spices, chili and chili powder
4. Fresh fruit, vegetables
5. Tea leaves, various dry tea leaves
6. Fresh fish, fresh prawns, fresh meat, various kinds of fowl eggs
7. Groundnut oil, sesame oil
8. Sugar cane, sugar, jiggery, brown slab sugar, milk, cream, fresh milk, and assorted milk powders, soy milk
9. Various kinds of fish sauces (*ngan-pya-ye*), dried fish and prawns, pickled fish and pickled prawns, prawn bran, fish powder, various kinds of fish paste

### Agriculture and livestock

10. Mulberry leaves, silk cocoons
11. Live animals, fish, prawns, terrestrial animals, aquatic animals, semi-aquatic animals; eggs, embryos, pups, species of such animals; plants and seeds grow in water; sprouts; seaweeds; algae
12. Insecticides, pesticides, fungicides, etc. used for livestock farms to prevent algae, bacteria, threadworms or any other plants disease, spray used for animal husbandry (excluding mosquito killer spray for household use, spray, mouse control products)
13. Palm oil, sunflower seeds and cotton seeds, pumpkin seeds, watermelon seeds and cashew nuts, betel nuts, crops seeds and nursery plants
14. Cotton, cardamom, "thanatkhar" and agricultural products not specified elsewhere, Coconut oil (not edible palm oil)
15. Coconut fiber
16. Firewood and bamboo, canes, finished and unfinished, alternatives to firewood

### School and Office Supplies

17. Sealing-waxes, various stamps
18. National Flag
19. Slate, slate pencils, and chalk, graphite for the production of pencils
20. Various kinds of textbooks, various kinds of educational books to be used in basic education, colleges and universities, magazines, journals, newspaper, exercise and drawing books of various kinds and papers (only 40 Gsm to 80 Gsm) for the production of such books and all sorts of pencils, various kinds of rulers, erasers, and sharpeners

### Medical related goods

21. Medicinal plants and herbs
22. Honey and beeswax
23. 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), 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), Pharmaceuticals and other assorted medicines and assorted traditional medicines (FDA approved medicines except restricted by law and regulation), raw materials for drugs including traditional medicines
24. Condom

### Goods used for Religious and Social

25. Various kinds of rosary beads (excluding beads made from precious stones), religious clothes
26. Firefighting trucks, search and rescue vehicles, hearses
27. Goods which are bought with the donation or funds provided to the State by domestic and foreign organizations

### Goods used for Transportation

28. Fuel sold to foreign embassies, United Nations organizations, and foreign diplomats by the Ministry of Electricity and Energy

29. Jet fuel sold to be used for planes flying abroad
30. Machine, machinery and equipment and the spare parts thereof for planes and helicopters

#### **Industrial Goods**

31. Bleaching powder (only hypochlorite used for bleaching), raw materials for laundry detergents and soap; raw soap
32. Jute and similar fibers, rubber paste, sterculia versicolor wall (Gum karaya)
33. Farm equipment, farm machines and machine parts; four-wheeled tillers, auto-machines or manual machines used by hand or with animals, and its spare parts (excluding machines that are needed to be registered per Automobile Registration Law) raw and processed animal, fish, shrimp feed (excluding feed for pets), animal/ fish/ prawn medicines (including approved medicines and preventive medicines by Ministry of Agriculture, Livestock and Irrigation, and medicines certified by Livestock Breeding and Veterinary Department), animal breeding. Artificial insemination equipment and embryo, semen, bovine semen straw, egg(including frozen semen)
34. Solar panels, solar chargers, controllers, and solar inverters
35. Raw materials or parts of goods machines, equipment, materials and its spare parts that are imported, not for resell, provided by the non-resident supplier for use on a CMP basis and goods used for wrapping the finished product.

#### **National Defense and Security related goods**

36. Materials, equipment, vehicles, machines and tools for national defense and security organizations, various kinds of gunpowder, various kinds of dynamite and accessories thereof used by the civil departments (only such materials that are imported with the approval of Commander in Chief (Army) Office), goods purchased for the consumption of the armed forces if included in the budget of the Ministry of Defense

#### **Gems and Extracted Products**

37. Pure gold bullions (Qualified gold bullions, coins, bars),cut and un-cut forms of jade, ruby and sapphires which are sold at the domestic gem emporiums organized by the government
38. Crude oil based paint

#### **Miscellaneous**

39. Duty-free goods to be sold to overseas passengers at the departure places
40. Goods which are eligible with bilateral rights principles that are to be used by foreign embassies and councils, their members and non-diplomatic staff, all of which are applicable to bilateral rights principles proposed by the Ministry of Foreign affairs, and approved and notified by the Ministry of Planning and Finance with the consent of Union Government.
41. Parliament as per the needs of the State
42. Commodities imported under temporary admission or draw-back system in line with Customs procedures

### **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**

**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 2**

**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 3**

**All other domestic services.** 5% commercial tax is charged on the revenue from all other domestic services except for services exempted in Part B, Line 5.

## **Part B, Line 4**

**Exempt services.** The following services are exempt from the commercial tax. Total sales of exempt services must be entered on line 4.

### **Foreign Affairs**

1. Services which are eligible with bilateral rights principles that are acquired by foreign embassies and councils, their members and non-diplomatic staff, all of which are applicable to bilateral rights principles proposed by the Ministry of Foreign affairs, and approved and notified by the Ministry of Planning and Finance with the consent of Union Government.

### **National Defense**

2. Printing service by the security printing by the Ministry of Defense

### **Religious and Cultural**

3. Culture and art
4. Services acquired with the donation or funds provided to the State by domestic and foreign organizations

### **Transportation**

5. Rental of parking lot spaces
6. Transportation of goods ( transport via train, motor vehicle, vessel, aircraft or crane with the exception of transport via pipeline )
7. Moving
8. Road tolls
9. International and domestic passenger air transport service
10. Public transportation service

### **Education and Information**

11. Education
12. Printing books, magazines, journals or newspaper service

### **Health**

13. Health care except beauty parlor services
14. Traditional healing massages and massages provided by blind persons
15. Veterinarian and animal health care
16. Public toilets

### **Planning and Finance**

17. Life insurance
18. Microfinance loans
19. Capital market services
20. Banking service and financial service operating with the permission of the Central Bank
21. Customs and port clearance
22. Aung Bar Lay Lottery

### **Social Welfare, Relief and Resettlement**

23. Rental of movable property for social functions (such as tables, chairs, and crockery) (catering)
24. Funerals
25. Childcare

### **Industry and Electricity**

26. Contract manufacturing (cutting, making, and packaging)
27. Mechanized agricultural services
28. Small-scale private electricity supply services provided through electric power generation and transmission in the areas where there is no access to national grid.



## Miscellaneous

29. License fees paid to the State organizations for obtaining permits for any activity
30. Services which are exempted by Union Parliament as per the needs of the State
31. 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)

## Part C

### Part C, Line 2

A taxpayer may be able to offset the commercial tax paid for producing and selling of goods against commercial tax due on purchasing, trading the goods or rendering services. See Regulation 42. Fill in the amount of credit for commercial tax paid including on *IRD(CT)-31 Certificate of Domestic Sales & Purchases* form on this line. Exclude Commercial Tax paid on unsold goods (inventory) and fixed assets or capital purchases. Attach *IRD(CT)-33 Certificate of Commercial Tax Offset* form prepared based on *IRD(CT)-31* forms.

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.

Any surplus amount remaining in *IRD(CT)-31* and *IRD(CT)-32* after offsetting shall be regarded as business expense and can be deducted in calculating income tax for that financial year.

### Part C, Line 3

A taxpayer may be able to offset the commercial tax paid for producing and selling of goods against commercial tax due on importing the goods. See Regulation 42. Fill in the amount of credit for commercial tax paid per *IRD(CT)-32 Certificate of Commercial Tax on Imported Goods* form in this line. Attach *IRD(CT)-33 Certificate of Commercial Tax Offset* form(s) prepared based on *IRD(CT)-32* form(s).

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.

Any surplus amount remaining in *IRD(CT)-31* and *IRD(CT)-32* after offsetting shall be regarded as business expense and can be deducted in calculating income tax for that financial year.

### Part C, Line 4

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.

### Part C, Line 5

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

## Part C, Line 7

**Tax due.** The amount on line 7 is the amount you must pay when you file the return. You must file the return at the Township Revenue Office, Medium Taxpayer Offices or Large Taxpayer Office, whichever applies.

**You must pay the tax due on a monthly basis within 10 days after the end of each month.** The tax payment must be made 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 C, Line 8

**Tax overpaid.** The amount on line 8 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 8.

## 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.