

Government of the Republic of the Union of Myanmar

Ministry of Planning and Finance

Union Minister Office

Notification No. 69/2019

23rd of August, 2019 (8th Waning day of Wagaung, 1381 ME)

1. Ministry of Planning and Finance, in exercise of the power conferred by Sections 15(a) and 31(b) of Union Taxation Law (2018-2019) and with the approval of the Union Government, hereby issues this notification in order to fully grant the lawful tax exemptions to the State development projects that are being implemented by using the grant aids and concessional loans accessed by the State, and to provide clear and simple guidance on how to apply the tax exemptions.
2. The companies, advisors and service providers engaging as main contractors or sub-contractors in the projects that are being implemented by using the grant aids accessed by the State shall be granted the following tax exemptions:
 - (a) Income tax exemption on the salary income earned by the project staff who are not Myanmar citizens
 - (b) Income tax exemption on the corporate incomes earned by the companies engaging in the project activities
 - (c) Commercial tax exemption on the imported goods, machines and equipment that are to be used in the project activities
 - (d) Commercial tax exemption on the project activities that are subject to the commercial tax
3. The companies, advisors and service providers engaging as the contractors in the projects that are being implemented by using the concessional loans accessed by the State –

(a) shall be granted the following income tax exemptions:

(i) Income tax on the interest paid for the loans accessed by the State

(ii) Income tax on the corporate incomes earned by the companies operated by the main contractors (not the sub-contractors) who are engaging in the project activities, and

(b) can be granted income tax exemption on the salary incomes of the project staff, except for Myanmar citizens, who are described and allotted in the concessional loan agreement.

4. For the commercial tax chargeable on the project activities that are implemented by using the concessional loans accessed by the State, the relevant departments and government organizations shall calculate the commercial tax payable on the project activities to be implemented, include it in the budget requisition and pay that commercial tax to Internal Revenue Department.

5. In order to get “certificate” from Internal Revenue Department to systematically proceed for the tax exemptions, an application form for each of the project activities that are implemented by using the grant aid or concessional loan accessed by the State shall be submitted to Internal Revenue Department through Ministry of Planning and Finance, along with the “specified evidence documents”.

6. When the concerned company applies “certificate” for income tax exemption on the salary incomes of the project staff who are not Myanmar citizens and are working for the projects that are implemented by using the grant aid or concessional loans accessed by the State, the following evidence documents shall be submitted:

(a) Submission letter of the main or secondary company to certify that the staff is working for the project activities (along with the recommendation letter issued by relevant department/ government organization in case the company is a main one or recommendation letters issued by relevant department/

- government organization and main company in case the company is a secondary one)
- (b) Submission letter of the main company to certify that the project is being implemented by using the grant aid or concessional loan, and
 - (c) Recommendation letters issued by the relevant ministry and Budget Department (through Ministry of Planning and Finance) to certify that the project is being implemented by using the grant aid or concessional loan.
7. When the main contractors and sub-contractors engaging in the grant aid projects or the main contractors engaging in the concessional loan projects apply "certificate" for tax exemption of the project activity being done, the following evidence documents shall be submitted:
- (a) In order to certify that the activity being done is the project activity that is implemented by using grant aid or concessional loan accessed by the State,
 - (i) Submission letter of the concerned company
 - (ii) Recommendation letter issued by the relevant ministry
 - (iii) Recommendation letter issued by Budget Department (for grant aids) or recommendation letter issued by Treasury Department (for loans), that are requested based on the recommendation letter of the relevant ministry through Ministry of Planning and Finance
 - (b) In case of the main contractor, signed contract with the relevant department/ government organization
 - (c) In case of the sub-contractor, signed contract with and recommendation letter of the main company
 - (d) For import permit and Customs duty free, comment from Customs Department

- (e) For purchasing vehicles, machinery and equipment, approval letter of Development Assistance Coordination Unit (DACU)
8. The projects that are being implemented by using both grant aid and concessional loan accessed by the State shall be regarded as the concessional loan projects and shall be only granted as the exemptions of the projects that are implemented by using concessional loans.
 9. Apart from the projects implemented by using grant aids or concessional loans accessed by the State, this Notification shall not apply to the projects that are implemented by local/ international organizations and/or non-governmental organizations or the projects that are implemented by the companies by using the funds supported by those organizations.
 10. This Notification shall prevail and revoke the Notification No. 38/2019 issued by Ministry of Planning and Finance on 21st of May, 2018.
 11. This Notification shall take effect from 1st of September, 2019.

(Soe Win)

Union Minister

Letter No. Saba/finance-2/1/295 (3707/2019)

Date: 23rd of August, 2019

Circulation

- President Office
- Union Government Office
- Office of Union Parliament (Pyidaungsu Hluttaw)
- Office of House of Representatives (Pyithu Hluttaw)

- Office of House of Nationalities (Amyotha Hluttaw)
- Union Supreme Court
- Constitutional Tribunal
- Union Election Commission Office
- All Ministries
- Union Attorney General Office
- Union Auditor General Office
- Union Civil Service Board
- Nay Pyi Taw Council
- All State/Region Governments
- Central Bank of Myanmar
- Office of Anti-Corruption Commission
- Office of Myanmar Human Rights Commission
- Myanmar Accounting Council
- All / Departments and Organizations under Ministry of Planning and Finance
- Printing and Publishing Enterprise (with a request to include in Myanmar National Gazette)
- All Directorates of MOPF Minister Office

By order

xxx

(Htun Htun Naing)

Permanent Secretary