

## Tax Administration Law 2019

The Union Parliament of Myanmar passed Tax Administration Law (“**TAL**”) on 7<sup>th</sup> June 2019 as a Pyidaungsu Htuttaw Law No. 20/2019. It was signed by the President of Myanmar on the same day. It will enter into force on 1<sup>st</sup> October 2019. The TAL is one of the most significant tax legislations. It aims to set out the administrative procedures. It governs the income tax, commercial tax, special goods tax and other types of tax under supervision of the Director-General (“**DG**”) of the Inland Revenue Department (“**IRD**”). Its major provisions are on the followings:-

1. The IRD is authorized to issue public rulings and advance rulings to tax payers for consistency in implementation of the relevant tax laws and for using as guidelines for interpretation of relevant tax laws.
2. The anti-avoidance provision has been adopted to be imposed on taxpayers for their avoidance of tax payments. The DG is authorized to impose the tax based on the economic substance of the tax payer.
3. A taxpayer is required to maintain its documents related to tax liabilities that include purchase orders, invoices, daily records, financial statements and business contracts.
4. The tax assessment and audit period has been extended to 6 years after the end of the relevant assessment year or 12 years in case of tax deception.
5. A tax declaration is specified, including its submission period and a request for extension of the submission period. The DG or authorized officers can request for relevant information from the tax payer or inspect any documents of the tax payer by a prescribed manner.
6. An appeal by a taxpayer can be filed with the DG within 30 days after receiving a notice of the applicable tax if the taxpayer finds that the decision or tax imposed on it is incorrect. A further appeal can also be filed with the Tax Tribunal within 90 days if the tax payer is not satisfied with the result of the first appeal. A further appeal with the Union Supreme Court is possible. The burden of proof is on the taxpayer.
7. A taxpayer must notify the IRD on any changes to its business nature, company name and address in writing within 15 days after the changes for commercial tax and special goods tax matters and within one year after the changes for income tax matters.
8. A taxpayer can request a tax clearance certificate from the IRD to confirm that the tax payer is cleared of tax liabilities.

9. The fines applicable to a tax payer under the TAL include:

No.	Fines (% of tax amount) or Fine Amount	Violation
1	10%	failure to be registered under the tax system, inform of any changes of its information, re-file for cancellation of tax identification
2	MMK250,000 million	using incorrect tax identification certificate or incorrect purchase order or invoice, issuing of fraud sale note, providing illegal sale note
3	5% or MMK100,000 (whichever is higher)	failure to submit the tax declaration form plus 1% of the applicable tax to be paid for each outstanding month
4	25%	payment of tax in bad faith or with negligence
5	MMK5,000 to MMK100,000 per day	failure to maintain proper records of transactions
6	Maximum MMK500,000	failure to provide relevant information or location or assistance to tax officers per their requests.



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