



# Myanmar 2016 Tax Update: Major changes of Union Tax Law 2016 & introduction of Special Goods Tax

Date: 16 March 2016

Time: 9.00 - 11.00am

Venue: TBA

Myanmar has reintroduced excise tax system namely Special Goods Tax Law ("SGT") which will be effective from 1<sup>st</sup> April 2016. The SGT, designed to modify the Commercial Tax ("CT") Law, announced a range of changes, but the most marked change affect taxes on alcohol, wine and cigarettes. The new tax rates are reflected in the Union Tax Law 2016 which will be effective from 1<sup>st</sup> April 2016. Companies producing or importing special goods are now allowed to offset output Special Goods Tax against input Special Goods Tax. How will this new calculation work? What are the conditions? Which paperwork is needed? VDB Loi's team is working closely with the tax authorities to understand how to protect clients' investments.

Come to VDB Loi's breakfast briefing to get the latest on the government's practices and interpretations of current and upcoming tax and investment laws. We will provide practical insights on how to navigate the new tax rules, and thrive when doing business in Myanmar.

## Highlights:

- Special Goods Tax - How does it work?
- Can we offset SGT with Commercial Tax?
- Hefty penalties of SGT law
- Enforcement of Withholding Tax and CT for non-residents
- What are the key changes in the Union Tax Law 2016?
- Personal income tax: new minimum income thresholds
- Changes in tax rates for undisclosed sources of income
- Clearer values on Commercial Tax offset
- What are the new tax depreciation rates?
- Advance income tax for export and import goods
- Stamp duty amnesty

## SPEAKERS



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# PROGRAM

Time	Myanmar 2016 Tax Update: Special Goods Tax & Major changes of Union Tax Law 2016
8:30 am - 9:00am	Registration, coffee and croissants
9:00 am - 9:30am	<b>Myanmar's new Special Goods Tax Law</b> <ul style="list-style-type: none"><li>• New: tax rates for special goods<ul style="list-style-type: none"><li>- How does it work?</li><li>- What are the tax rates?</li><li>- Main offences and penalties</li></ul></li></ul>
9:30 am - 10:00am	<b>Union Tax Law 2016</b> <ul style="list-style-type: none"><li>• New: tax rates and major changes<ul style="list-style-type: none"><li>- tax exempted goods &amp; services</li><li>- minimum salary income threshold exempted from tax</li><li>- undisclosed source of income</li></ul></li></ul>
10:00 am - 10:15am	Break
10:15 am - 10:30am	<b>Stamp duty</b> <ul style="list-style-type: none"><li>• Amnesty for stamp duty payment</li><li>• How it can affect to business profits?</li></ul>
10:30 am - 11:00am	<b>Regulations Amending Commercial Tax Regulations</b> <ul style="list-style-type: none"><li>• CT offset mechanism</li><li>• Unutilized input CT as business expense</li></ul> <b>Regulations Amending Income Tax Regulations</b> <ul style="list-style-type: none"><li>• New tax depreciation rates</li></ul> <b>Advance income tax for export and import goods</b> <ul style="list-style-type: none"><li>• What is advance income tax for export and import goods?</li><li>• What goods are exempted under the new regime?</li></ul>
11:00 am	Closing

## REGISTRATION

This seminar will be offered in English. The seminar will be held in the morning from 9.00am - 11.00am on 16 March 2016.

Attendance is free and by invitation only. Seats are limited. We regret that invitations are not transferable. Venue confirmation will be sent at a later date.

To reserve a seat or request an invitation for a colleague, contact Mar Lar Thin at marlar.thin@vdb-loi.com or on +95 9250364580

# OVERVIEW OF VDB LOI EXPERIENCE IN THE TAX SECTOR

## HIGHLIGHTS

- Two partners resident in Myanmar, both with strong, big-firm tax backgrounds
- Assisted on the tax structuring of some of the most complex projects in Myanmar, including for a global leader in oilfield services with layers of subcontractors, of the manufacturing and distribution of alcoholic beverages for one of the world's leading European beer brands, of the acquisition of a cigarette manufacturer for a Fortune 500 company, and of Myanmar PSCs for three oil and gas supermajors
- Providing technical assistance to the Internal Revenue Department and the Customs Department
- Untypically for a law firm, our scope of services includes tax compliance
- Our network partners provide accounting services to multinational clients in Myanmar

The firm is renowned for its superior tax knowledge in Myanmar. Few firms are able to field a highly experienced tax advisory team in Myanmar, let alone with an engaged resident tax partner. At VDB Loi, both resident partners have strong backgrounds as highly accomplished tax specialists with global firms, which is a unique proposition. The firm provides technical assistance to tax

and customs authorities in Myanmar and throughout the region.

Our clients often choose to work with us because we are able to offer specialized tax structuring advice as well as legal services. Everybody can give you general tax information, or the theory, but we focus on the reality of the tax assessments. What profit margins will the tax authorities expect? How will they determine which service fee is acceptable for a tax deduction? How do the officials apply the tax exemption rules in practice?

Our affiliate, VDB Loi Accounting Ltd, provides the highest quality accounting services to a multinational clientele in Myanmar. A seamless cooperation between the legal and the accounting teams ensures that clients work with one point of contact, maximizing responsiveness and clear communication.

Our credentials on international taxation are unique in the region – we have extensive experience with regional tax structuring for corporations and other international tax issues. We offer:

- Corporate tax structuring
- Tax-efficient market entry advisory services
- Real estate tax structuring
- Oil, gas and mining tax services
- Customs and excise advisory
- Mergers & acquisitions and tax due diligence
- International and regional tax optimization
- Transfer pricing advisory
- Taxation of banks and financial services
- Controversy

## CORPORATE TAX

Corporate taxation in Myanmar can be a complex and dynamic situation as both legal theory and the practice of the authorities must be taken into account. VDB Loi is uniquely placed to advise on corporate taxation through our strong local relationships, experienced local tax professionals and international expertise. Clients often seek out our partners for their ability to find a solution rather than to describe what the rules say or what cannot be done.

## CUSTOMS DUTIES ADVISORY

In close cooperation with our international trade team, we are often asked by clients to secure import tax exemptions, advice on customs duty tariffs and valuation, and to assist in resolving disputes with the Customs Department.

## TAX COMPLIANCE

In seamless cooperation with VDB Loi Accounting Ltd, our team is often asked by multinational clients to prepare and lodge a full range of tax returns including Corporate Income Tax, Commercial Tax, taxes on salaries, withholding tax and capital gains.

## TAX DUE DILIGENCE

Clients seek assistance from our team of tax advisers, accountants and lawyers in connection with transactions. We are well placed to offer an integrated solution to clients, saving precious time and resources. We have extensive experience in carrying out due diligence assignments on targets for acquisitions.

## CONTROVERSY

Our tax professionals are frequently asked to assist in tax audits or disputes with tax authorities. Our team is often recommended for its pragmatic approach and its ability to deliver results. Our accounting professionals bring analytical skill to tax audits, while our tax lawyers will drive any litigation.

# VDB | Loi

VDB Loi is a network of leading law and advisory member firms and affiliated companies with offices in Cambodia, Indonesia, Laos, Myanmar and Vietnam, and representatives in Singapore and Tokyo.

With over 40 lawyers and advisers in Yangon and NayPyiTaw, we are “highly visible in the Myanmar market” (IFLR). We advise “an impressive range of leading corporations” (Legal 500) such as IPPs, telecom operators, oil and gas supermajors, international financial institutions and commercial banks, as well as the Myanmar and several foreign Governments. We are known to be “very creative and innovative” (Chambers) and for our “very good commercial understanding of Myanmar” (Chambers).

Our core practice areas are investment and corporate M&A, financing, labour, tax and regulatory matters. Our specialty sectors include TMT, power & infrastructure, real estate, consumer and resources.

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