

GOVERNMENT OF THE REPUBLIC OF  
THE UNION OF MYANMAR

**INCOME-TAX LAW**

**(As amended up to November 2011)**

**November 2011**

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# INCOME-TAX LAW

## CHAPTER I

### Title, Applicability and Definitions

1. (a) This Law shall be called the Income-tax Law.

Title and coming into force (b) This Law shall come into force with effect from 1974-75 assessment year.

2. Extent This Law shall extend to the whole of the Republic of the Union of Myanmar and shall also apply to all the citizens of the Republic of the Union of Myanmar residing outside

the Republic of the Union of Myanmar.

3 The following expressions contained in this Law shall have the Definitions meanings given hereunder;-

(a) **Myanmar** means the Republic of the Union of Myanmar ;

(b) *This Law* means the Income-tax Law ;

(c) *Rules* means rules made under this Law;

(d) *Tax* means income-tax payable under this Law, and includes penalty imposed under this Law;

(e) *Assessee* means a person who, having received assessable income under this Law, is liable to pay income-tax on that income;

(f) *Income received* means income received or deemed to be received, or income accrued or arose or deemed to have accrued or arisen;

(g) *Year* means the financial year;

(h) *Income year* means the year in which income is received;

(i) *Assessment year* means the year next following the income year;

(j) *Association* of persons includes partnerships, joint-ventures, companies, associations formed by individuals, registered of association or institution by existing law, co-operative societies and Government economic enterprises;

- (k) *Resident foreigner* means:-
- (i) in the case of an individual, a foreigner who resides in Myanmar for not less than one hundred and eighty three days during the income year;
  - (ii) in the case of a company, a company formed under the Myanmar Companies Act or any other existing law wholly or partly with foreigner share-holders;
  - (iii) in the case of an association of persons other than a company, an association formed wholly or partly with foreigners and where the control, management and decision making of its affairs is situated and exercised wholly in the Union of Myanmar;
- (l) *Non-resident foreigner* means any foreigner in the Union of Myanmar;
- (m) *Non-resident citizen* means any citizen of the Union of Myanmar who resides and earns income outside Myanmar for any time in a year;
- (n) *Total income* means the following income received in the income year:-
- (i) in the case of a resident citizen or a resident foreigner, all income received within and without the Republic of the Union of Myanmar;
  - (ii) in the case of a non-resident citizen, all income as prescribed by the Rules;
  - (iii) in the case of a non-resident foreigner, or a foreigner or a foreign economic organization investing under the Republic of the Union of Myanmar Foreign Investment Law, all income received within the Union of Myanmar;
- (o) *Company* means a company as defined in the Myanmar Companies Act or in any other existing law. This expression includes any foreign economic enterprise carrying on business in Myanmar which is treated as a company by the Union of Government for the purposes of this Law;



- (p) *Citizen* includes an associate citizen or a naturalized citizen for the purpose of this Law;
- (q) *Capital Asset* means any land, building, vehicle and any capital asset connected with an enterprise; That phrase included shares, bonds and similar agreements.
- (r) *Capital gain* means any profit realized from the sale, exchange or transfer of any capital asset. Any inheritance, gift without consideration and donation shall not be included within the meaning of the term transfer.
- (s) Township Revenue Officer means

## CHAPTER II

### Charge of Income-tax

4. The following may be prescribed by the Ministry of Finance & Revenue with the agreement of the Union of Government:-
- Charge of income-tax

- (a) Under the specify, amended and added of tax& tax rate by the notification promulgate.
    - (i) assessable total income;
    - (ii) rates of income-tax for each class of income;
    - (iii) rates of income-tax payable separately if the total income exceeds forty two thousand kyats.
  - (b) When Notification promulgate under sub-section (a),
    - (i) Specify of the date of enter into force or the assessment year;
    - (ii) the tax shall be charged upon all persons having assessable total income in the income year relevant to the said the date of enter into force or the assessment year at the rates prescribed for each class of income.
5. (a) This Law shall not apply to the following classes of income:-
- Exemptions
- (i) income received by a religious or charitable institution and applied

- solely for religious or charitable purposes;
  - (ii) income of a local authority;
  - (iii) any receipt in respect of saving as prescribed by the Rules;
  - (iv) sum received in commutation of a pension;
  - (v) compensation received for death or injury;
  - (vi) sum received in payment of insurance policy;
  - (vii) any receipt of a casual and non-recurring nature excluding the following:-
    - (aa) capital gains under section 13;
    - (bb) income from an enterprise;
  - (viii) share of profit from an association of persons.
- (b) The Union of the Government may, in respect of any assesses or any class of assesses or any income or any class of income, grant the following:-
- (i) tax exemption;
  - (ii) tax relief;
  - (iii) other benefits in respect of tax.

- (c) The Union of the Government may, in respect of any newly establishes economic enterprise or any class of newly established economic enterprises, within in the public sector, the co-operative sector , or the private sector in Myanmar, grant tax exemption up to a period of three consecutive years commencing from the year of establishment.
- (d) Where benefits in respect of income-tax are prescribed in any other existing law, such , such benefits shall be allowed accordingly .

6. (a) By the Ministry of Finance & Revenue promulgate Notification with the Reliefs agreement of the Union of Government shall take under the allowance the matter of specify, amended and added ;
- 1) basic allowance in respect of an association of persons;
  - (2) basic allowance in respect of an individual and allowance in respect of spouse;

(b) When notification promulgate under sub-section (a), specify of the date of enter into force or the assessment year.

(c) The following amount shall be deducted from the total income and the tax shall be computed on the remaining amount of income:-

(i) basic allowance in the case of an association of persons;

(ii) in the case of an individual:---

(aa) basic allowance;

(bb) allowance in assessee or his spouse;

(cc) premium paid for the life insurance Policy of an assessee and his spouse;

(dd) contribution towards savings funds as prescribed by the Rules.

Provided: Sub-section(a) & (c) shall not apply mentioned in section to the computation on capital gains under section 13 and non-resident foreigner.

(d) the computation and assessment under sub-Section

( c ) supervise by State institutions or by the Ministry

of Finance & revenue promulgate notification acknowledge of donation or donation

### CHAPTER III

#### Powers and Duties

(7) The Union of Government of the Ministry of Finance & Revenue may agree with the Union of Government by notification, from committees to exercise the powers and perform the duties contained in this law.

If necessary, the Union of Government of the Ministry of Finance & Revenue may agree with the Union of government by notification delegate the powers and duties of any of the committees to any individual.

### CHAPTER IV

#### Computation of Income

8. (a) Income shall be computed under each of the following heads of income:-

(i) salaries;

(ii) profession;

- (iii) business;
- (iv) property;
- (v) capital gains;
- (vi) undisclosed sources of income;
- (vii) other sources of income.

(b) In the case of income from salaries or capital gains the tax shall be separately assessed under each head of income.

(c) In the case of other heads of income, income from each head shall be aggregated and assessment shall be made on the total income.

9. The tax shall be payable by any person under the head salaries in respect of the following income received or receivable by him from his employer:-

- (a) salary, wages, annuity, pension, gratuity; and
- (b) any fees, commissions or perquisites received in lieu of or in addition to any salary and wages.

10. (a) The tax shall be payable by any person

Profession under the head profession in respect of the income received from his profession.

(b) In computing that income, expenditure incurred for the purpose of earning that income, and depreciation allowance prescribed by the Regulations, shall be deducted.

Provided that the following shall not be deducted:-

- (i) capital expenditure;
- (ii) personal expenditure;
- (iii) expenditure not commensurate with the extent of the professional service.

Explanation 1.- Profession means rendering of service for fees with one's skill and includes services rendered for fees by a doctor, a nurse, a lawyer, an engineer, an architect, a film artiste, a theatrical artiste, a writer, a painter, a sculptor, an accountant, an auditor, an astrologer, a teacher, etc.

Explanation 2.- In computing income from profession, only the income received by way of fees other than salary shall be included.

Explanation 3.- If the professional service is not rendered personally but by employing some other person, it shall be treated as a business and assessed accordingly.

11. (a) The tax shall be payable by any person under the head *Business* in respect of his income derived from business.

(b) In computing that income, expenditure incurred for the purpose of earning that income, and depreciation allowance as prescribed by the Regulations, shall be deducted.

Provided that the following shall not be deducted;

- (i) capital expenditure;
- (ii) personal expenditure;
- (iii) expenditure not commensurate with the volume of business;
- (iii) payment made to a member of an association of persons other than a company and a co-operative society. Provided that payment

made for professional service shall be deducted.

*Explanation-* Business includes securities, income from bonds and debentures investment made for purposes of earning interest.

12. (a) The tax shall be payable by any person under the head *Property* in respect of the income received by letting out land or land and building.

*Explanation---*Letting out land or land and building includes not a private land or once again of letting out building.

(b) In computing that income, the expenditure incurred for earning that income shall be deducted from the actual rent receivable or the annual rental value as assessed by the local authority, whichever is greater.

Provided that the following shall not be deducted:-

- (i) capital expenditure;
- (ii) personal expenditure;
- (iii) inappropriate expenditure.

13. The tax shall be payable by any person under the head Capital Gains in respect of the gains realized from the sale, exchange or other ways and means of transfer of one or more capital assets within a year. Capital gains shall be computed and assessed in accordance with the Rules.

14. The tax shall be payable by any person under the head Undisclosed sources of income in respect of any immovable property or movable property including money for which he is unable to account for accurately as to how he has acquired it.

Income under this section shall be computed in accordance with the Rules.

14A. The tax shall be payable under the head other sources of income in respect of the income which is not included under any of the preceding heads of income.

In computing that income, expenditure incurred for the purposes of earning that income shall be deducted. Provided that the following shall not be deducted:-

- (a) Capital expenditure;
- (b) Personal expenditure;
- (c) Inappropriate expenditure;

14B. Income derived from property or business transferred by and assessee, either directly or indirectly, without sufficient cause, to his wife and unmarried children, shall be included in the total income of the assessee and the assessment shall be made on that total income.

## CHAPTER V

### Payment of Tax at the time of receiving Income

15.(a) Whoever has a total income or capital gains chargeable to tax in any year shall be liable to pay income-tax at the time of receiving that income.

(b)

16 (a) Income-tax payable under section 15 shall be the tax due as computed on the estimated total income of that year. The tax shall be paid either in monthly or quarterly installments.

(b) If the total income comprises of income solely under the head salaries, the tax due

in respect of that income shall be paid out of that income whenever it is received.

- (c) If the total income includes income under any of the other heads, in addition to income under the head salaries, the tax in respect of the income under the head salaries shall be paid as prescribed under sub-section (b), and the remaining tax shall be paid as prescribed under sub-section (a).
- (d) Any person responsible for disbursement of payments under the head salaries shall, at the time of payment, deduct income-tax on the amount payable. In so deducting, the income of the assessee for the year under the said head shall be estimated, and the tax due thereon shall be deducted in as much equal instalments as possible.

Provided that if the tax has been deducted in excess or less during the year in which income is received, it may be adjusted in the remaining instalment or instalments.

- (e) The Government may, by notification, direct that the person responsible for disbursement of money shall deduct and

remit the tax in respect of any class of income other than the income under the head salaries.

- (f) The person who has made a deduction under sub-section (d) and (e) shall pay the amount to the credit of the Government within the prescribed period, and shall comply with all the conditions prescribed.
- (g) Whoever fails to deduct and pay the tax under sub-section (d) and (e) without sufficient cause shall be deemed to be a defaulter.
- (h) If the tax payable under this section is not paid or if the tax paid is less than the amount due under the relevant assessment, a penalty not exceeding ten percent of the amount by which the tax so paid falls short of the actual tax payable may be imposed. Provided that no penalty shall be payable under this section in respect of the tax liable under sub-section (d) and (e).

Explanation---The person responsible for disbursement under this section means: where the enterprise is owned by an individual the

owner himself; and where the enterprise is owned by an association of persons that association itself. In the case of the Government or a local authority, the person responsible is the administrative official responsible for disbursement of the relevant money.

#### CHAPTER VI

##### Furnishing of Return of Income and Annual Salary Statement

17. (a) Every person who has assessable total income in any income year shall furnish a return of income for that year as prescribed by the Regulations within three months from the end of the year.

Return of income  
Provided that such person who has income only under the head salaries is not so required.

(b) Notice may be served upon any person to furnish his return of income in accordance with the Regulations.

(c) Whoever, having furnished a return of income, wishes to amend his return for some mistakes in the return, may furnish a revised return before the assessment is made.

18. An employer shall furnish yearly the annual salary statement as prescribed by the Regulations within three months from the end of the income year.

#### CHAPTER VII

##### Assessment of Income-tax

19. (a) If it is satisfied that the return of income furnished under section 17 is correct and complete, income-tax shall be assessed on the basis of that return.

Assessment  
(b) The Township Revenue officer may, if necessary, give notice to the person who has already furnished the return of income or upon whom a notice has been served to furnish the return, to produce supporting evidence, accounts, and list of property which are not included in the accounts. He may also be required to attend for



examination. The list of property mentioned in this sub-section may be prescribed by regulations. Provided that the accounts relating to a period of more than three years prior to the income year shall not be called for the examined.

- (c) If the income can be correctly computed from the supporting evidence produced by the assessee under sub-section (b), income-tax shall be assessed on the basis of that supporting evidence.

Provided that if the income cannot be correctly computed from the supporting evidence furnished by the assessee, income-tax shall be assessed after scrutinizing other supporting evidence required by the Assessment Committee.

- (d) Whoever fails to furnish the return of income under sub-section (a) of section 17 or under sub-section (b) of that section, or who fails to comply with the requirements of the notice given under sub-section (b) of this section shall be

assessed by the Assessment Committee on the basis of available supporting evidence.

Explanation.- The Assessment Committee appearing in this section and in the subsequent sections means the committee delegated by the Government under section 7 for purposes of making assessment and collection of income-tax.

20. (a) If there is any loss from a source of income year, such loss shall be set-off against the income from the remaining sources of income of that year. In doing so, the loss shall be set-off in stages among the sources of income starting with the income at the lowest income-tax rate and then on to income at higher income-tax rates.

Set-off of Loss

Provided that this section shall not apply to the following:-

- (i) loss in respect of capital assets;
- (ii) the share of loss from an association of persons.

- (b) The right of carrying forward of losses to the sub-sequent years under the Myanmar Income-tax Act shall cease with effect from the assessment year 1974-75.

#### CHAPTER VIII

##### Procedures relating to Assessment of Income-tax in Certain Special Cases

21. (a) If it is found necessary, on account of Income tax has the fraudulent intention of any escaped assessment person, to make assessment of re-assessment on the income which has escaped assessment of tax under this Law, assessment Or re-assessment may be made at any time after the end of the relevant assessment year. Provided that such assessment shall be made only after obtaining prior sanction from the committee authorised for this purpose by the Government. Prior sanction shall only be accorded where it is of opinion that in the circumstances of each particular case, there is an intention to

defraud in order to evade tax under this Law.

Provided that the assessment as aforesaid shall be made at the rates of income-tax prevailing in the relevant assessment year.

- (b) In any case where sub-section (a) is not applicable, assessment or re-assessment as mentioned above shall be made only within three years from the end of the following matters:-
- (i) income chargeable to income-tax has escaped assessment;
  - (ii) income has been under-assessed; or
  - (iii) assessment has been made at a low rate;
  - (iv) relief in excess of the amount actually allowable under the Law has been allowed.

22. (a) Any person authorised under section 7 Rectification of mistakes may, within three years from the date of order passed by him or by any equivalent authority under the Myanmar Income-tax Act or under

This Law, rectify any mistake apparent from the record and shall within such period rectify any such mistake which has been brought to his notice by the assessee.

- (b) Amending the original amount of penalty imposed under sub-section (a) of section 46, or sub-section (b) of section 47, or sub-section (c) of section 47 on account of the difference of tax between the final assessment made under an order of appeal, revision or reference and the original assessment, shall be deemed to be a rectification of mistake apparent from the record within the meaning of sub-section (a). For this purpose the period of three years mentioned in sub-section (a) shall be computed from the date on which the final order has been passed.

23. Income-tax shall be assessed on the legal representative or on the person  
Assessment of deceased and legally incapable persons

legally responsible in connection with the relevant income in the following cases:-

- (a) deceased person;
- (b) legally incapable person, sue to certain reason;
- (c) a person who cannot undertake lawful responsibility in providing solution.

Provided that income-tax payable under this section by the legal representative or legally responsible person shall only be to the extent to which the estate which they have taken responsibility is capable of meeting the tax assessed.

24. When a business is discontinued, every  
Liability when business is discontinued person who has a share in that business at the time of discontinuance shall in jointly and severally liable to assessment of income-tax and for the amount of tax payable.

25. When a business is succeed by a person  
Change of ownership of business from the owner of that business an in case if there is difficulty in communication

with that owner the successor shall be treated as the agent of the previous owner and income-tax shall be assessed for the following periods:-

- (a) the period in the income year of succession within which the previous owner carried on the business;
- (b) the income year preceding the income year of succession ;

26. (a) If a non-resident foreigner has received Assessment of Income by any of the non-resident following means, that income foreigner received shall ve deemed to be income received within Myanmar and income-tax

Shall be assessed accordingly ;-

- (i) income received from any capital asset within Myanmar ;
  - (ii) income received from any source of income within Myanmar ;
- (b) In lieu of the non-resident foreigner, income-tax may be assessed and collected from his agent in respect of the said incomes. Any arrear of income-tax may be recovered from any assets

of the non-resident foreigner which are, or may at any time come, within Myanmar.

27. The Assessment Committee may, after Treatment as informing any one of the agent following persons its intention of treating him as agent of the non-resident foreigner or non-resident citizen, deem him as such agent for all income-tax purposes :-

- (a) any person delogated in anyway by a non-resident foreigner or by a non-resident citizen in respect of his income;
- (b) any person who has business connection with that non-resident person ;
- (c) any person who is receiving income on behalf of that non-resident person ;

Provided that the person who is intended to be treated as agent shall not be treated as such under this section without giving him an opportunity of being heard.

28. (a) If a non-resident foreigner carries on Assessment of Business as owner or charterer shipping business of a ship in any year he shall

be assessed in accordance with the Rules.

- (b) A person who is authorised to grant port clearance certificate shall deliver such certificate only when the master of the ship, the ship owner, or the agent of the charterer, has produced the certificate that income-tax has been fully paid, or satisfactory arrangement has been made for the payment of income-tax.

29. Where the Government prescribes by notification in of any class of assessee or any class of income, that the income year shall be the assessment year or that assessment may be made within the income year, or how a particular assessment shall be dealt with, the assessment concerned shall be made in accordance with the prescribed rules.

30. (a) Assessment and collection of tax for the following shall be made in accordance with the prescribed rules or regulations:-

- (i) economic organizations of the Government;
  - (ii) a foreigner or an association of persons formed abroad, participating in Government or Government sponsored project, business enterprise or any particular work with the approval of the Government;
  - (iii) co-operative society;
  - (iv) non-resident citizen;
  - (v) person receiving income in foreign currency.
- (b) Provisional assessment in respect of any person who has furnished a return of income shall be made as prescribed by the Regulations.

## CHAPTER IX

### Agreement made between States

31. If the Government enters into an agreement with any foreign state or with any international organization relating to making agreement with other states

to income-tax and if the agreement is notified, the terms of the said agreement shall be followed, notwithstanding anything contained in any other provisions of the Law.

## CHAPTER X Appeal, Revision and Reference

32. (a) If the assessee is not satisfied with any Order concerning him passed by the Assessment Committee, he may appeal to the First Appellate Committee in accordance with the regulation prescribed.
- First Appeal
- (b) The assessee shall present a memorandum of appeal within thirty days of the receipt of the notice of demand or of the order with which he is dissatisfied.
- Provided that the Appellate Committee may admit the appeal after the expiry of the said period if it is satisfied that there is sufficient cause for not presenting it within the said period.
- (c) An assessee desiring to appeal has the right to present the appeal under this

section only after he has complied with the following:-

- (i) income-tax payable has been fully paid; or
  - (ii) application is made to the Committee delegated by the Government for this purpose and has complied with the decision of that Committee in respect of that tax;
- (d) In disposing of the appeal, the Appellate Committee shall give the appellant an opportunity of being heard and may pass any order thereon as it thinks fit.

Provided that if an enhancement of income-tax is intended, the appellant shall be allowed an opportunity to show cause why it shall not be enhanced.

Explanation-The First Appellate Committee mentioned in this section and succeeding sections means the Committee delegated by the Government under section 7 to decide the first appeals of the assesseees who are dissatisfied

with the order passed by the Assessment Committee.

33. (a) If the appellant assessee of the Assessment Committee is not satisfied with the order of the First Appellate Committee, appeal may be preferred to the Second Appellate Committee within sixty days of the receipt of that order.
- (b) The second Appellate committee may admit an appeal under this section after the expiry of sixty days referred to in subsection (a) if it is satisfied that there was sufficient cause for not presenting it within that period.
- (c) In an appeal under this section, the memorandum of appeal to the Second Appellate Committee shall be presented in accordance with the procedure laid down by that Committee. When the appeal is preferred by an assessee, documentary proof for payment of kyats one hundred as a fee must be attached.
- (d) The Second Appellate Committee, after giving the appellant and the respondent

an opportunity of being heard, shall pass such orders thereon as it thinks fit regarding the appeal.

- (e) Except as provided in section 34, the orders of the Second Appellate Committee passed in appeal shall be final.

Explanation- The Second Appellate Committee appearing in this section and in succeeding sections means the Committee delegated by the Government under section 7 to dispose of second appeals preferred either by the assessee or the Assessment Committee who is dissatisfied with the order of the First Appellate Committee.

33A. The order of the Assessment Committee shall be final if the tax is up to kyats 500; the decision of the First Appellate Committee shall be final if the tax is up to kyat 10000; and the decision of the Second Appellate Committee shall

be final if the tax exceeds kyats 10000 and if no question of law arises.

34. (a) If there is any question of law arising out of the order of the Second Appellate Committee, the assessee or the First Appellate Committee may within sixty days after the receipt of the order of the Second Appellate Committee, propose to the Second Appellate Committee to refer the case to the Supreme Court.
- (b) If the Second Appellate Committee for a certain reason refuses to draw up a statement of the case and refer it to the Supreme Court, the person whose proposal is rejected may apply to the Supreme Court within sixty days of the receipt of rejection order to direct the Second Appellate Committee to draw up a statement of the case and refer to it.
- (c) If the Supreme Court accepts that there is question of law arising out of the case which requires decision, then the Supreme Court shall decide that

question and its judgement shall be communicated to the Second Appellate Committee.

- (d) An appeal shall lie to the Supreme Court from an order passed by it under sub-section (c).

35. (a) The Revisional Committee may, within three years from the date of the order passed by the Assessment Committee under this Law, call for the records of proceedings on its own motion or on the application of the assessee, to revise that order. The Revisional Committee may make necessary enquiry or may cause such enquiry to be made when the records of proceedings are received. An appropriate order may be passed at any time thereafter.

Provided that in passing the following orders, the assessee shall be given an opportunity of being heard:-



- (i) the order enhancing the amount of income-tax payable by the assessee;
  - (ii) the order reducing the amount of refund to be paid to the assessee;
  - (iii) the order setting aside the assessment made on the assessee.
- (b) The Revisional Committee shall not revise any order under this section if:-
- (i) an appeal lies to the First Appellate Committee and the time allowed for presenting the appeal has not expired; or
  - (ii) the order is one where an appeal has been preferred to the First Appellate Committee.
- (c) Application for revision by an assessee can only be made when he has complied with the provisions under sub-section (c) of section 32.

Explanation-The Revisional Committee mentioned in this section means a Committee delegated by the Government under section 7 to open revision proceedings and

exercise revisional powers regarding the order passed by the Assessment Committee, in the following cases:-

- (a) where the assessee being dissatisfied with the order of the Assessment Committee has applied for revision;
- (b) where the Revisional Committee is of the opinion that action taken by the Assessment Committee is incorrect.

36. Copies of order passed under section 32, 33 and 35 shall be sent to the relevant assessee, the Assessment Committee and the First Appellate Committee, as the case may be.

Distribution of copies

## CHAPTER XI Refund

37. (a) If any person satisfies the Assessment

Refund Committee with supporting evidence that the amount of tax paid by him or on his behalf for any year exceeds the amount which he is properly chargeable under this Law, he shall be entitled to a refund of such excess. If any excess payment of tax has been found by the Assessment Committee such excess shall also be refunded to the relevant assessee.

(b) The claim for refund is to be made only within one year from the date of receipt of the letter of intimation that such refund is due.

## CHAPTER XII

### Matters relating to Persons Leaving the Union of Myanmar

38. (a) No person shall leave the Union of Myanmar unless he obtains a certificate from the authority delegated for this specific purpose stating that he has no liability to pay tax or that Satisfactory arrangement has been made for the payment of the tax.

Requirement of certificate

Provided that exception to the above requirement may be by the Government by notification.

(b) The owner or charterer of any vehicle who issues a ticket to carry any person from the Union of Myanmar to any place outside the Union of Myanmar has carried him by such vehicle without the certificate required by sub-section (a) shall be liable to pay the amount of tax payable by that person, and shall also be liable to a fine which may extend to ten thousand kyats.

## CHAPTER XIII

### Recovery of Tax

39. (a) Any amount of tax specified in the notice of demand under section 53 shall be paid within the time mentioned in that notice or within the time extended for such payment. In case of failure so to pay, the unpaid tax shall be deemed to be an arrear and the person

Arrears to be recovered as money decree

failing to pay such tax shall be deemed to be a defaulter.

- (b) The arrears of tax may be recovered by the Assessment Committee as if it were a money decree passed by a Civil Court.
- (c) For the purpose of recovering the arrears of tax under sub-section (b), the Assessment Committee shall have the following powers :-
  - (i) the powers of a Civil in finalizing execution of a money decree ;
  - (ii) the appointment of a receiver for the whole of the property in which the defaulter has partial interest (the co-owner or co-sharer shall be intimated before such appointment);
  - (iii) the right to sell the whole of the property and to distribute the sale proceeds, if the part of the property in which the defaulter has partial interest cannot be sold for any of the following reasons (before doing so, those having beneficial interest shall be intimated) :-
    - (aa) the nature of the property ;

(bb) the number of co-owners or co-sharers ;

(cc) other special circumstances ;

- (iv) the right to sell the property to the co-owner or co-sharer where the sale is of indivisible immovable property and the said co-owner or co-sharer is one of the bidders who gives equal bid, and the right to sell the property to the person who first submitted his name if the number of co-owners or co-sharers who give equal bid is more than one.

40. (a) The Assessment Committee may impose Other modes of penalty as required on the recovery defaulter for the arrears of tax.

Provided that the total amount of the penalty so imposed shall not exceed the arrears of tax.

- (b) The Assessment Committee may direct a person from whom money is due or may become due to the defaulter, or who holds or may subsequently hold money for or on account of the defaulter, to pay that money for the arrears of tax on

behalf of the defaulter. In so doing, it shall be directed that the tax shall be paid as soon as the money becomes payable, or when the money comes into possession, or within the time mentioned in the notice. If that money exceeds the arrears of tax, only the amount equal to the arrears of tax shall be paid and if it is equal to or less than the amount of arrears, the whole of the money shall be paid. A copy of the aforesaid intimation shall be sent to the last known address of the defaulter. The Assessment Committee may extend the time of payment mentioned in the notice.

- (c) Any person making payment in compliance with a notice under this section shall be deemed to have made the payment under the authority of the defaulter, and the receipt of the Assessment Committee shall constitute a good and sufficient discharge of the liability of such person to the defaulter to the extent of the amount referred to in the receipt.

- (d) If the person on whom a notice under sub-section (b) is served fails to make payment in pursuance thereof, further proceedings may be taken on the footing that the Assessment Committee's notice has the same effect as a warrant of attachment of property under sub-section (b) and (c) of section 39.
- (e) Where the person on whom a notice has been served under sub-section (b) is able to show with supporting evidence to the Assessment Committee that the sum demanded or any part thereof is not due to the defaulter or that he does not hold any money for or on account of the defaulter, then he shall not be liable to pay under sub-section (b).

41. Notwithstanding anything contained in any Interlocutory order other law for the time being in force, no authority or court shall be competent to make an interlocutory order staying recovery proceedings under this Law. Provided that the aforesaid authority or court may pass an interlocutory order on the sale of property within its jurisdiction in the following cases:-

- (a) proceedings instituted by a person other than the defaulter, regarding the said property;
- (b) in the case of proceedings instituted by an assessee, where an appeal or a revision or a reference preferred by the defaulter under this law is pending.

CHAPTER XIV

Supplemental Powers

42. Any committee delegated by the Government under section 7, any require any person who has any information relating to income-tax, to furnish such information.

43. Any committees delegated by the Government under section 7 shall have the same powers as are vested in a Civil Court in the course of proceedings under this Law. These committees shall be deemed to be functional courts.

44. The committees delegated by the Government under section 7, shall have the powers to carry out the following matters:-

- (a) the right to enter and inspect any place or building for purposes of assessment or disposal of any appeal;
- (b) the right to place marks of identification on the books of account or documents or to make extracts or copies therefrom in the course of entry into the premises and inspection thereof.

45. If the Assessment Committee or the First Appellate Committee has reason to suspect that any books of account or documents had been withheld from production or may not forthcoming when required in the course of proceedings under this Law, that

Committee has the following powers;-

- (a) the right to search any building, place, or business premises;
- (b) the right to seize any books of account or documents found in that place. In case of such seizure;-
  - (i) a receipt shall be granted;
  - (ii) they shall be retained in its custody only for so long as may be necessary for examination pending the final

disposal of the assessment or appeal as the case may be.

## CHAPTER XV

### Offences and Penalties

46 (a) If the Assessment Committee or the Appellate Committee in the course of any proceeding under this Law believes and is satisfied that any person fails without reasonable cause, to comply with the requirements under sub-section (a) or (b) of section 17 or under section 18 or under sub-section (b) of section 19, a penalty not exceeding ten percent of the tax shall, in addition to the tax payable, be imposed for each default.

Explanation. The person who is liable to pay penalty for failure to comply with the requirement under section 18, is the one who is responsible to furnish the annual statement of salaries. The penalty payable by him shall be ten per cent of the tax

required to be deducted from the salaries in accordance with that statement.

- (b) If any person fails to furnish information Under section 42, an extension of time upto fifteen days may be granted to him.
- (i) If the assessee continues to fail to furnish the information within the extended time, the authority formed under section 7 may, by exercising its judicial powers conferred by section 43, issue a warrant causing him to be brought and may investigate why he fails to furnish the information. If the cause of failure to furnish is due to the loss of documents and the loss is not owing to his fault, he may then be allowed to divulge whatever he remembers by an affidavit.
- (ii) If the authority has found that there is no sufficient excuse for he failure to furnish the information, he may be prosecuted. If the court finds hin

guilty, he shall be punishable with imprisonment for a term which may extend from one to three years.

47. (a) If the Assessmen Committee or the Appellate Committee in the course of porceedings finds that any person has concealed his income or concealed the particulars relating to his income, he shall be permitted to disclose those facts fully within the specified time.
- Penalty for concealment
- (b) If such person discloses fully in the specified time, he shall pay, in additon to the tax payable on his total income, a penaly equal to fifty per cent of the amount of tax increased on account of the concealment.
- (c) If such person fails to disclose the particulars within the specified time or discloses less than the income concealed, he shall, in addition to paying the tax and penalty in accordance with sub-section (b), also be liable to procsecution. If the Court finds him guilty, he may be

punishable with imprisonment for a term which may extend from three to ten years.

Provided that no prosecution shall be instituted under this section without the prior sanction of the authority delegated by the Government for this purpose. The said authority shall, by taking into consideration the mangnitude of that person's fraudulent intention to evade the tax leviabale under this Law and the fesibility of such disclosure, decide whether to grant sanction or not. The time within which disclosure is allowed to be made may be extended if necessary.

48. Whoever gives and takes bribe or attempts to do so in connection with this Law, shall be liable to be punished under the Penal Law or under any other law specifically ecacted for this office.
- Penalty for taking bribe

49. (a) All the particulars appearing in the proceedings dealt with under this Law shall be deemed to be
- Disclosure of Particulars

of confidential nature. Notwithstanding anything contained in the Evidence Act, no Court shall be competent to summon any public servant to produce such particulars or to give evidence in respect thereof.

- (b) No public servant shall disclose such particulars except in the case of a matter relating to the Government.
- (c) Any public servant who contravenes the provisions of sub-section (b) shall be prosecuted and if he is found guilty he may be punished with imprisonment for a term which may extend to 6 months.

Explanation Public servant means any person whom the Government has designated as public servants from time to time.

50. Prosecution for the purpose of section 49, shall
- Prosecution by sanction only be instituted with the prior sanction of the authority delegated by the Government.

## CHAPTER XVI

## Power to make Rules

51. Rules, regulations, by-laws, orders, directives, or procedures may be made for the purpose of successfully carrying out the provisions of this Law and for the determination of any class of income.
- Power to make rules, regulations, etc.

## CHAPTER XVII

### Miscellaneous

52. (a) All the accounts kept for the assessments Particulars to be contained in books of accounts Under this Law shall be in Myanmar or in English.

(b) The Government may, by notification, prescribe regulation as to what particulars should be contained in the accounts of any class of income, or any class of assessees.

53. When any tax becomes payable by an order Notice of demand passed under this Law, the Assessment Committee shall send to the assessee the notice of demand in the prescribed form, specifying the amount of tax payable.



54. A receipt shall be given to the assessee for  
Receipts any tax collected under this Law.
55. A notice or a summons issued under this  
Service of Law may be served on a person  
notices named therein or in the case of an  
association of persons on any  
adult member of that association, or on any  
director or the manager or the secretary  
either by post or as if it were a summons in  
a civil matter issued by a Court.
56. Every person deducting or paying any tax  
Indemnity in pursuance of this Law in  
respect of income belonging to  
another person is hereby  
Indemnified for the said deduction and payment.
57. No suit shall be filed in any Civil Court to  
Bar of suits set aside or modify any  
assessment made under this  
Law and no prosecution shall  
Lie against any public servant for anything done  
in good faith under this Law.
58. In computing the period of limitation  
Prescribed for an appeal, or a  
revision, or a reference under

this Law, the time requisite  
for obtaining a copy of the  
order resulting in the appeal or the revision or the  
reference and the time requisite for obtaining  
permission to appeal under clause (ii) of sub-  
section (c) of section 32 shall be excluded.

## CHAPTER XVIII

### Assessment years applicable to the Myanmar Income-tax Act

59. (a) The Myanmar Income-tax Act shall  
Assessment years apply for the assessment year  
applicable to the 1973-74 and the assessment  
Myanmar Income- tax Act years prior to that year. Provided  
that the powers of each of the  
authorities conferred under  
section 5 and 5A may be  
exercised by the committee which  
has equivalent power under this Law ;
- (b) The following matters shall be dealt  
with in accordance with the provisions  
of this Law with effect from the first of  
April 1974 :-
- (i) matters under sub-section (b) of section 21;
  - (ii) matters under section 22;
  - (iii) matters under section 32;

- (iv) matters under section 33;
- (v) matters under section 34;
- (vi) matters under section 35;
- (vii) matters under section 37.