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IRD INTERPRETATION STATEMENT NO. 1/2023 ON THE TAXABILITY OF EMPLOYEE BENEFITS

1. On 28 June 2023, the Internal Revenue Department (“IRD”) of the Ministry of Planning and Finance issued Interpretation Statement No. 1/2023 that clarifies the income tax treatment for employees of housing and medical benefits provided to them by an employer.
2. The interpretation confirms that cash benefits given to an employee for housing and medicine are taxable and should be included when determining an employee’s taxable income; while in-kind benefits for housing and medicine (such as, for example, free accommodation in employer-owned or employer-leased premises, or medical costs paid directly by the employer for the employee’s benefit), are not considered part of employee taxable income.

RELAXATION OF ADVANCED PAYMENT REQUIREMENT FOR BORDER-TRADE EXPORTS

1. In Export-Import Newsletter No. 11/2023 issued on 28 June 2023 as amended by Export-Import Newsletter 13/2023 on 6 July 2023, the Department of Trade (DOT) announced the relaxation of advanced payments to obtain export licenses for border-trade exports effective 1 July 2023 for the export of pulses, corns, sesames, and peanuts. Prior to these issuances, approval for the export of these goods required evidence of advanced payment from off-shore consignees.
2. To enjoy this benefit, exporters of these goods are required to make a deposit with the DOT of an amount equal to a percentage of the value of the export license sought: for exporters in operation for at least 3 years from 1 July 2023, the percentage is at 20% of the value of the export license sought, while for exporters in operation for less than 3 years, the percentage is 35% of the value of the export license sought. These deposits may be made in foreign currency or in Myanmar Kyats (MMK) at the market rate.
3. The DOT will return the deposit upon evidence of remittance by the exporter of the corresponding export earnings, but should such export earnings not be credited within a 15-day period from receipt of the export declaration on the goods exported, the deposit will be forfeited and it is possible for the exporter authority to export will be revoked.
4. According to the DOT, export of goods *other than* pulses, corns, sesames, and peanuts while never subject to the requirement of evidence of advance payment, will continue to require the submission of an executed letter of credit although whether this requirement is implemented in practice will depend on a case-by-case basis on the nature of goods to be exported.

About Kelvin Chia Yangon (KCY)

KCY has been in active operation in Myanmar since 1995, currently with offices in Yangon and Mandalay. KCY is the firm of choice for those seeking to navigate Myanmar's fast-changing and complex Supervisory landscape, a jurisdiction in which KCY has gained in-depth legal expertise from the numerous transactions it has handled.

Our main practice areas

Foreign Investments | Incorporation and Company Maintenance | General Corporate and Commercial | Due Diligence | Mergers and Acquisitions | Joint Ventures and Production Sharing Agreements | Investment Funds | Energy/Oil and Gas | Natural Resources/Mining | Banking | Project and Project Financing | Manufacturing | Education | Agriculture | Real Estate | Infrastructure | Construction | Telecommunications | Compliance / Supervisory | Licensing and Permits | Labour and Employment | Immigration | Taxation | Insurance | International Arbitration | Intellectual Property | Special Economic Zones

Our Partners



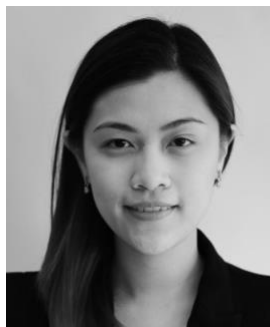
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