

Tax system in the Special Economic Zone as per the Myanmar SEZ Law

No.	Type of Tax	Type of Investor	Rate	Remark
1	Income tax (IT) or Corporate tax	Developer	25 %	<ul style="list-style-type: none"> • 100% exemption for 8 years from date of commercial operation (Article 40(a) of SEZ Law) • 50% relief for the following 5 years (Article 40(b) of SEZ Law) • 50% relief for the next following 5 years (if the profit of the year is reserved and reinvested) (Article 40(c) of SEZ Law)
		Investor in Free Zone	25%	<ul style="list-style-type: none"> • 100% exemption for 7 years from date of commercial operation (Article 32(a) of SEZ Law) • 50% relief for the following 5 years (Article 32(c) of SEZ Law) • 50% relief for the next following 5 years (if the profit of the year is reserved and reinvested) (Article 32(d) of SEZ Law)
		Investor in Promotion Zone	25%	<ul style="list-style-type: none"> • 100% exemption for 5 years from commercial operation (Article 32(b) of SEZ Law) • 50% relief for the following 5 years (Article 32 (c) of SEZ Law) • 50% relief for the next following 5 years (if the profit of the year is reserved and reinvested) (Article 32(d) of SEZ Law)
2	Commercial tax for land lease	Developer	5%	No exemption but creditable
		Investor in Free Zone	Exempted	Exemption (Article 49 (a) of the Myanmar SEZ Law)

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		Investor in Promotion Zone	5%	No exemption but creditable
3	Commercial tax (CT) for other purpose	Developer	5%	100% exemption on the imports of capital goods such as machinery, equipment, construction materials, vehicles for operational use. (Article 44(a) of SEZ Law)
		Investor in Free Zone	5%	<ul style="list-style-type: none"> • 100% exemption on the imports of capital goods such as machinery, equipment, their spare-parts, construction materials and vehicles for operational use. (Article 44(b) of SEZ Law) • 100% exemption on imports of raw materials (Article 44(b) of SEZ Law) • 100% exemption on imports of merchandise for trading, consigned goods and vehicles for operational use imported by duty-free wholesalers, export-related traders, service providers like logistics. (Article 44(c) of SEZ Law)
		Investor in Promotion Zone	5%	<ul style="list-style-type: none"> • 100% exemption on imports of capital goods such as machinery, equipment, construction materials, and vehicles for operational use, for 5 years from issued date of the investment permit. (Article 44(d) of SEZ Law) • 50% relief for the following 5 years (Article 44(d) of SEZ Law) • No exemption on importation of raw materials and other materials for production

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				<p>(Article 45(a) of SEZ Law)</p> <ul style="list-style-type: none"> Can be refunded if these imported materials are processed in the production process and then exported. <p>(Article 45(b) of SEZ Law)</p>
4	Custom duty	Developer	Depends on Commodities	100% exemption on the imports of capital goods such as machinery, equipment, construction materials, vehicles for operational use. (Article 44(a) of SEZ Law)
		Investor in Free Zone	Depends on Commodities	<ul style="list-style-type: none"> 100% exemption on the imports of capital goods such as machinery, equipment, their spare-parts, construction materials and vehicles for operational use. (Article 44(b) of SEZ Law) 100% exemption on imports of raw materials (Article 44(b) of SEZ Law) 100% exemption on imports of merchandise for trading, consigned goods and vehicles for operational use imported by duty-free wholesalers, export-related traders, service providers like logistics. (Article 44(c) of SEZ Law)
		Investor in Promotion Zone	Depends on Commodities	<ul style="list-style-type: none"> 100% exemption on imports of capital goods such as machinery, equipment, construction materials, and vehicles for operational use, for 5 years from issued date of the investment permit. (Article 44(d) of SEZ Law) 50% relief for the following 5 years (Article 44(d) of SEZ Law)

No.	Type of Tax	Type of Investor	Rate	Remark
				<ul style="list-style-type: none"> No exemption on importation of raw materials and other materials for production (Article 45(a) of SEZ Law) Can be refunded if these imported materials are processed in the production process and then exported. (Article 45(b) of SEZ Law)
5	Stamp duty for land lease	<ul style="list-style-type: none"> Developer & Investors 	<ul style="list-style-type: none"> 3% of (total lease amount/ no. of years) 	No exemption
6	Stamp duty for factory rental	<ul style="list-style-type: none"> Developer & Investors 	<ul style="list-style-type: none"> 1.5% of total rental fees 	No exemption
7	Withholding tax	<ul style="list-style-type: none"> Developer Investor in free zone Investor in promotion zone 	<ul style="list-style-type: none"> 15% on interest 20% on royalty 3.5% on work done 	For non-resident foreigners only (Article 55 of SEZ Law)
8	Personal income tax	<ul style="list-style-type: none"> Developer Investor in free zone Investor in promotion zone 	25% (progressive rate)	<p>All developer and investors shall deduct from the payment of salaries/wages to their employees.</p> <ul style="list-style-type: none"> Annual income up to Kyats 2 mil (0%) Annual income above Kyats 2 mil up to 5 mil (5%) Annual income above Kyats 5 mil up to 10 mil (10%) Annual income above Kyats 10 mil up to 20 mil (15%) Annual income above Kyats 20 mil up to 30 mil (20%) Annual income above Kyats 30 mil (25%)