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Myanmar News:
Stamp Duty
reduction with effect
from 1 October 2016

October 2016

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New Stamp Duty Fees

Pursuant to the Myanmar Stamp Act (1899), the proper stamp shall be paid for certain legal instruments.

On 30 September 2016, the Ministry of Planning and Finance published a new notification reducing the payable amount of stamp duty for certain instruments with effect from 1 October 2016.

1. Stamp Duty

Stamp duty is a form of tax charged on certain legal instruments (e.g. lease contracts or share transfers) and requires the use of impressed or adhesive stamps on the instrument in question.

Sec. 3 Myanmar Stamp Act (1899) in conjunction with the provisions in Schedule (1) stipulates the instruments which are subject to the payment of stamp duty. Unless the instrument is executed overseas, the payment and affixation of the stamps is generally due before or at the time of execution of the instrument.

2. Reduced Fees with effect from 1 October 2016

On 30 September 2016, the Union Minister's Office of the Ministry of Planning and Finance published Notification 146/2016 regarding the payable amount of stamp duty for certain legal instruments.

Pursuant to the new Notice, Schedule (1) of the Myanmar Stamp Act (1899) shall be amended as set out below. While the Notice primarily addresses reductions of stamp duty for bonds and conveyances, it should be noted that provisions for numerous other legal instruments refer to the stamp duty payable in respect of bonds and conveyances.

Consequently, more common transactions such as property leases and mortgages will also benefit from the reduced stamp duty rates.

3. Notification 146/2016

Please find an unofficial translation of the notice of the Internal Revenue Department below.

Government of the Republic of the Union
of Myanmar

Ministry of Planning and Finance

Union Minister's Office

Notification 146/2016

(September 30, 2016)

1. Exercising the powers entrusted by Section 9(a) of the Myanmar Stamp Act, 1899, the Ministry of Planning and Finance hereby issues this Notification pursuant to consent of the Union Government Cabinet Meeting Number 11/2016 convened on September 8, 2016.
2. In Schedule (1) of the Union of Myanmar Stamp Act,
 - the expression of "one and a half per centum" in Item Serial Number (15) shall be replaced with the expression "0.5 per centum";
 - the expression of "three per centum" in Item Serial Number (23) shall be replaced with the expression "Two per centum";
 - the expression of "kyat 600" in Item Serial Number (35c) shall be replaced with the expression "kyat 300";
 - the expression of "0.3 per centum" in Item Serial Number (62) shall be replaced with the expression "0.1 per centum", respectively.
3. This Notification shall be effective commencing from the date of 1-10-2016.

Kyaw Win
Union Minister

4. Direct Changes

Description of instrument	Stamp Duty (old)	Stamp Duty (new)
15. BOND [as defined by section 2(5)] not being a DEBENTURE (No.27), and not being otherwise provided for by this Act or by the Court Fees Act - See ADMINISTRATION BOND (No.2), BOTTOMRY BOND (No.16), CUSTOMS BOND (No.26), INDEMNITY BOND (No.34), RESPONDENTIA BOND (No.56), SECURITY BOND (No.57).	1.5% of the amount or value.	0.5% of the amount or value.
23. CONVEYANCE , [as defined by section 2(10)] not being a TRANSFER charged or exempted under No.62 –	3% of the amount or value.	2% of the amount or value.
35. LEASE , including an under-lease or sub-lease and any agreement to let or sub-let – [...] where the lease is granted for a fine or premium or for money advanced in addition to rent reserved;	The same duty as a CONVEYANCE (No.23) for a consideration equal to the amount or value of such fine or premium or advance as set forth in the lease, in addition to the duty which would have been payable on such lease if no fine or premium or advance had been paid or delivered: Provided that, in any case when an agreement to lease is stamped with the ad valorem stamp required for a lease, and a lease in pursuance of such agreement is subsequently executed, the duty on such lease shall not exceed kyat 600.	The same duty as a CONVEYANCE (No.23) for a consideration equal to the amount or value of such fine or premium or advance as set forth in the lease, in addition to the duty which would have been payable on such lease if no fine or premium or advance had been paid or delivered: Provided that, in any case when an agreement to lease is stamped with the ad valorem stamp required for a lease, and a lease in pursuance of such agreement is subsequently executed, the duty on such lease shall not exceed kyat 300.
62. TRANSFER (whether with or without consideration)- (a) of shares in an incorporated company or other body corporate;	0.3% on the value of share.	0.1% on the value of share.

5. Consequential Changes

The changes concerning the stamp duty rates for bonds and conveyances are of particular importance, since numerous provisions in Schedule (1) of the Myanmar Stamp Act (1899) refer to the amended rates, including:

Description of instrument	Stamp Duty (old)	Stamp Duty (new)
8. APPRAISEMENT OR VALUATION made otherwise than under an order of the Court in the course of a suit (a) where the amount does not exceed kyat 100,000;	[1.5%] for such amount.	[0.5%] for such amount.
13. BILL OF EXCHANGE as defined by section 2 (2) not being a BOND , banknote or currency note- [...] (b) where payable otherwise than on demand but at more than one year after date or sight;	[1.5%] for the same amount.	[0.5%] for the same amount.

Description of instrument	Stamp Duty (old)	Stamp Duty (new)
<p>18. CERTIFICATE OF SALE (In respect of each property put up as a separate lot and sold) granted to the purchaser of any property sold by public auction by any Civil court, Revenue Authority, Collector or other Revenue Officer- [...] (b) in any other case [where the purchase - money does exceed kyat 500,000];</p>	<p>[3%] for a consideration equal to the amount of the purchase-money only.</p>	<p>[2%] for a consideration equal to the amount of the purchase-money only.</p>
<p>27. DEBENTURE (whether a mortgage debenture or not) being a marketable security transferable – (a) by endorsement or by a separate instrument of transfer; (b) by delivery;</p>	<p>[1.5%] for the same amount. [3%] for a consideration equal to face amount of the debenture.</p>	<p>[0.5%] for the same amount. [2%] for a consideration equal to face amount of the debenture.</p>
<p>31. EXCHANGE OF PROPERTY- Instrument of- EXTRACT;</p>	<p>[3%] for a consideration equal to the value of the property of greatest value as set forth in such instrument.</p>	<p>[2%] for a consideration equal to the value of the property of greatest value as set forth in such instrument.</p>
<p>32.FURTHER CHARGE - Instrument of, that is to say, any instrument imposing a further charge on mortgaged property - (a) when the original mortgage is one of the description referred to in clause (a) of Article No.40 (that is, with possession) ; (b) when such mortgage is one of the description referred to in clause (b) of Article No. 40 (that is, without possession) – (i) if at the time of execution of the instrument of further charge possession of the property is given or agreed to be given under such instrument; (ii) if possession is not given.</p>	<p>[3%] for a consideration equal to the amount of the further charge secured by such instrument. [3%] for a consideration equal to the total amount of the charge (including the original mortgage and any further charge already made) less the duty already paid on such original mortgage and further charge. [1.5%] for the whole amount payable or deliverable under such instrument.</p>	<p>[2%] for a consideration equal to the amount of the further charge secured by such instrument. [2%] for a consideration equal to the total amount of the charge (including the original mortgage and any further charge already made) less the duty already paid on such original mortgage and further charge. [0.5%] for the whole amount payable or deliverable under such instrument.</p>
<p>33. GIFT - Instrument of, not being a SETTLEMENT (No.58) OR WILL OR TRANSFER (No.62).</p>	<p>[3%] for a consideration equal to the value of the property as set forth in such instrument.</p>	<p>[2%] for a consideration equal to the value of the property as set forth in such instrument.</p>

Description of instrument	Stamp Duty (old)	Stamp Duty (new)
<p>35. LEASE, including an under-lease or sub-lease and any agreement to let or sub-let –</p> <p>(a) where by such lease the rent is fixed and no premium is paid or delivered –</p> <p>(i) where the lease purports to be for a term of less than one year;</p> <p>(ii) where the lease purports to be for a term of not less than one year but not more than three years;</p> <p>(iii) where the lease purports to be for a term in excess of three years;</p> <p>(iv) where the lease does not purport to be for any definite term;</p> <p>(v) where the lease purports to be in perpetuity;</p> <p>(b) where the lease is granted for a fine or premium or for money advanced and where no rent is reserved;</p> <p>(c) where the lease is granted for a fine or premium or for money advanced in addition to rent reserved;</p>	<p>[1.5%] for the whole amount payable or deliverable under such lease.</p> <p>[1.5%] for the amount or value of the average annual rent reserved.</p> <p>[3%] for a consideration equal to the amount or value of the average annual rent reserved.</p> <p>[3%] for a consideration equal to the amount or value of the average annual rent which would be paid or delivered for the first ten years if the lease continued so long.</p> <p>[3%] for a consideration equal to one-fifth of the whole amount of the rents which would be paid or delivered in respect of the first fifty years of the lease.</p> <p>[3%] for a consideration equal to the amount or value of such fine or premium or advance as set forth in the lease.</p> <p>[3%] for a consideration equal to the amount or value of such fine or premium or advance as set forth in the lease, in addition to the duty which would have been payable on such lease if no fine or premium or advance had been paid or delivered: [...]</p>	<p>[0.5%] for the whole amount payable or deliverable under such lease.</p> <p>[0.5%] for the amount or value of the average annual rent reserved.</p> <p>[2%] for a consideration equal to the amount or value of the average annual rent reserved.</p> <p>[2%] for a consideration equal to the amount or value of the average annual rent which would be paid or delivered for the first ten years if the lease continued so long.</p> <p>[2%] for a consideration equal to one-fifth of the whole amount of the rents which would be paid or delivered in respect of the first fifty years of the lease.</p> <p>[2%] for a consideration equal to the amount or value of such fine or premium or advance as set forth in the lease.</p> <p>[2%] for a consideration equal to the amount or value of such fine or premium or advance as set forth in the lease, in addition to the duty which would have been payable on such lease if no fine or premium or advance had been paid or delivered: [...]</p>
<p>40. MORTGAGE - DEED not being an AGREEMENT RELATING TO DEPOSIT OF TITLE-DEEDS, PAWN OR PLEDGE (No.6), BOTTOMRY BOND (No.16), MORTGAGE OF A CROP (No.41), RESPONDENTIA BOND (No.56), OR SECURITY BOND (No.57) -</p> <p>(a) when possession of the property or any part of the property comprised in such deed is given by the mortgagor or agreed to be given;</p> <p>(b) when possession is not given or agreed to be given as aforesaid;</p>	<p>[3%] for a consideration equal to the amount secured by such deed.</p> <p>[1.5%] for the amount secured by such deed.</p>	<p>[2%] for a consideration equal to the amount secured by such deed.</p> <p>[0.5%] for the amount secured by such deed.</p>

Description of instrument	Stamp Duty (old)	Stamp Duty (new)
<p>45. PARTITION - Instrument of [as defined by section 2(15)]. N.B.- The largest share remaining after the property is partitioned (or if there are two or more shares of equal value and not smaller than any of the other shares then one of such equal shares) shall be deemed to be that from which the other shares are separated: Provided always that - (a) when an instrument of partition containing an agreement to divide property in severalty is executed and a partition is effected in pursuance of such agreement the duty chargeable upon the instrument effecting such partition shall be reduced by the amount of duty paid in respect of the first instrument, but shall not be less than kyat 2,000; (b) where land is held on Revenue Settlement for a period not exceeding thirty years and paying the full assessment, the value for the purpose of duty shall be calculated at not more than five times annual revenue; (c) where a final order for effecting a partition passed by any Revenue authority or any Civil Court, or an award by an arbitrator directing a partition, is stamped with the stamp required for an instrument of partition, and an instrument of partition in pursuance of such order or award is subsequently executed, the duty on such instrument shall not exceed kyat 2,000.</p>	<p>[1.5%] for the amount of the value of the separated share or shares of the property.</p>	<p>[0.5%] for the amount of the value of the separated share or shares of the property.</p>
<p>48. POWER-OF-ATTORNEY [as defined by section 2(21)] not being a PROXY (No.52) – [...] (f) when given for consideration and authorizing the attorney to sell any immoveable property;</p>	<p>[3%] for the amount of the consideration.</p>	<p>[2%] for the amount of the consideration.</p>
<p>49. PROMISSORY NOTE [as defined by section 2(22)] – [...] (b) when payable otherwise than on demand.</p>	<p>[1.5%] for the same amount payable otherwise than on demand.</p>	<p>[0.5%] for the same amount payable otherwise than on demand.</p>
<p>54. RECONVEYANCE of mortgaged property or instrument of extinguishment of a mortgage.</p>	<p>Subject to the maximum of kyat 10,000 [3%] of the amount of the consideration for the mortgage.</p>	<p>Subject to the maximum of kyat 10,000 [2%] of the amount of the consideration for the mortgage.</p>
<p>55. RELEASE, that is to say, any instrument (not being such a release as is provided for by section 23 A or article No.54) whereby a person renounces a claim upon another person or against any specified property – (a) if the amount or value of the claim does not exceed kyat 150,000;</p>	<p>[1.5%] for such amount or value as set forth in the RELEASE.</p>	<p>[0.5%] for such amount or value as set forth in the RELEASE.</p>

Description of instrument	Stamp Duty (old)	Stamp Duty (new)
57. SECURITY-BOND OR MORTGAGE-DEED executed by way of security for the due execution of an office, or to account for money or other property received by virtue thereof or executed by a surety to secure the due performance of a contract - (a) when the amount secured does not exceed kyat 150,000;	[1.5%] for the amount of the loan secured.	[0.5%] for the amount of the loan secured.
58. SETTLEMENT – A. INSTRUMENT OF (including a deed of dower). (a) Deed of dower executed on the occasion of a marriage between Muhammadans. (b) Hludansa, that is to say, any settlement of immovable property executed by a Buddhist in the Republic of the Union of Myanmar for a religious purpose in which no value has been specified and on which a duty of kyat 1,000 has been paid. B. REVOCATION OF - See also TRUST (No.64);	[1.5%] of a sum equal to the amount or value of the property settled as set forth in such settlement; Provided that where an agreement to settle is stamped with the stamp required for an instrument of settlement, and an instrument of settlement in pursuance of such agreement is subsequently executed, the duty on such instrument shall not exceed kyat 600. [1.5%] of a sum equal to the amount or value of the property concerned as set forth in the Instrument of Revocation but not exceeding kyat 3,000.	[0.5%] of a sum equal to the amount or value of the property settled as set forth in such settlement; Provided that where an agreement to settle is stamped with the stamp required for an instrument of settlement, and an instrument of settlement in pursuance of such agreement is subsequently executed, the duty on such instrument shall not exceed kyat 600. [0.5%] of a sum equal to the amount or value of the property concerned as set forth in the Instrument of Revocation but not exceeding kyat 3,000.
59. SHARE-WARRANTS to bearer issued under the Myanmar Companies Act.	[3%] of a consideration equal to the nominal amount of the shares specified in the warrant.	[2%] of a consideration equal to the nominal amount of the shares specified in the warrant.
63. TRANSFER OF LEASE by way of assignment and not by way of under lease.	[3%] of a consideration equal to the amount of the consideration for the transfer.	[2%] of a consideration equal to the amount of the consideration for the transfer.
64. TRUST - A. DECLARATION OF: - of or concerning any property when made by any writing not being a WILL . B. REVOCATION OF: - of or concerning any property when made by any instrument other than a WILL .	[1.5%] of a sum equal to the amount or value of the property concerned as set forth in the instrument, but not exceeding. [1.5%] of a sum equal to the amount or value of the property concerned as set forth in the instrument, but not exceeding kyat 600.	[0.5%] of a sum equal to the amount or value of the property concerned as set forth in the instrument, but not exceeding. [0.5%] of a sum equal to the amount or value of the property concerned as set forth in the instrument, but not exceeding kyat 600.

Imprint

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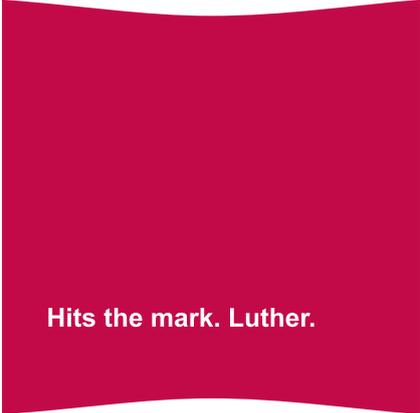
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