

Government of the Union of Myanmar

Ministry of Planning and Finance

Union Minister Office

Notification

No. 93 / 2018

5<sup>th</sup> Waxing day of Tasaungmone, 1380 ME

(12<sup>th</sup> November, 2018)

**Interpretation for the Services Business which are allowed to exempt from the  
Commercial Tax**

1. In the exercise of the power and authority granted under Section 9 of the Union Taxation Law (2018) and Union Taxation Law (2018-2019), the Ministry of Planning and Finance, hereby prescribes this Notification for the interpretation of (11) types of services among the list of types of services which are allowed to exempt from Commercial Tax, listed under the Section 14, Subsection (d) with the view to understand clearly.

**Relevant Matter**

2. The Ministry, hereby notify this interpretation statement for the (11) types of services, provided by the service provider, which do not need to collect commercial tax together with the service fee from the customers.

## **Affective Persons**

3. This notification will affect the tax payers who are service providers and the service receiver.

## **The provision of the relevant law**

4. In accordance with the Section 5, Subsection (b) of the Commercial tax Law, the tax payer who is a service provider shall have responsibility to collect the commercial tax together with the service fees while the service is providing to the customer.

5. Under the Section 14, subsection (d) of the Union Taxation Law (2018) and Union Taxation Law (2018–2019), the types of services, which do not need to pay commercial tax, are prescribed.

## **Interpretation Statement**

6. The Union Taxation Law (2018) was promulgated on 30.3.2018 by the Pyidaungsu Hluttaw Law No. (11) and the Union Taxation Law (2018–2019) was promulgated on 25.9.2018 by the Pyidaungsu Hluttaw Law No. (32). Referring that, all of the services shall pay commercial tax except for those which listed under Section 14, Subsection (d) of these two Laws.

7. With the view to collect the commercial tax correctly to those which need to pay the commercial tax and which do not need to pay commercial tax by noting clearly for the interpretation of the types of services.

8. In this regard, in the exercise of the power and authority granted under Section 9 of these two Laws of the Union Taxation, the following interpretations shall be made for (11) types of services which were listed among the list of services

exempted from commercial tax prescribed under the Section 14, Subsection (d) of two Union Taxation Laws –

| Sr. | 2018    | 2018–<br>2019 | Type of Service   | Interpretation  |
|-----|---------|---------------|---|---|
|     | Sr. No. | Sr. No.       |   |   |
| 1   | 1       | 5             | Rental service for Car Parking Areas                          | Parking service for motor vehicles, motor cycles, bicycles, etc. (rental for motor vehicle show room and warehousing service for vehicles are not included) |
| 2   | 3       | 18            | Micro-financing Service                                       | It is included for micro-financing service as per existing law and licensed pawn shops.   |
| 3   | 4       | 13            | Health care service except beauty service for the whole body. | It is included for medication and diagnostic services. (not included for body plastic surgery service and gym service.)                                     |
| 4   | 5       | 11            | Education Service   | It is included for private schools, trainings, trainings for specific subjects, vocational training schools)  |
| 5   | 8       | 19            | Capital Market Service  | The following businesses relating to the security exchange services performed at the stock exchange business –<br>(1) private trading for security          |

|   |    |    |  |  |
|---|----|----|--|--|
|   |    |    |  | <p>exchange;</p> <p>(2) representative or agent at the security exchange service business;</p> <p>(3) dealership for the security exchange service business;</p> <p>(4) consultancy service for the security exchange service business;</p> <p>(5) acceptance and claims for the security exchange service business;</p> <p>(6) any security exchange service notified by the Security Exchange Administrative Commission.</p> |
| 6 | 8  | 20 | Banking and any financial service businesses which is approved by the Central Bank | Financial services performed by the bank and non-banking association with the approval of the Central Bank.  |
| 7 | 16 | 8  | Toll Fees collection service   | It is included for the roads and bridges toll fees collections.  |
| 8 | 19 | 9  | Domestic and International air transport service business                          | It is included for domestic or international air transport business for passenger(s) with the service fees, ticketing service for domestic and foreign flights and service for passenger lounge at the airport   |

|    |    |    |                                |   |
|----|----|----|--------------------------------|---|
|    |    |    |                                | for which the service fee is not charged separately, ground handling service for domestic and foreign airlines (Passenger Handling , Baggage & Cargo Handling, Catering Services, Cabin Clearing are included in the ground handling services.)   |
| 9  | 20 | 3  | Cultural and fine art services | It is included for entrance fees collection at the cultural sites, museums, libraries, acting in accordance with the profession, (not included for entertainment services.)   |
| 10 | 21 | 10 | Public Services Transport      | <p>The following are included -</p> <ul style="list-style-type: none"> <li>- Passenger transportation for the schedules routes with the motor vehicles by charging fee or receiving any other benefit</li> <li>- Transport business under contract means transportation service providing for the individual person or group of person by proving service continuously for the period of time to provide service for</li> </ul> |

|    |    |    |                             |  |
|----|----|----|-----------------------------|--|
|    |    |    |                             | transportation or other requirements of the individual customer for land transportation under the contract.  |
| 11 | 29 | 27 | Farm mechanization services | It is included for the machineries produces for the agricultural use, rental service, handling service, repair and maintenance service, trainings provided for the agricultural machinery, land development for the farm mechanization systematically. |

Soe Win

Union Minister