

**DVB Debate** is produced by DVB Multimedia Group Ltd. Co. The debate is recorded every Saturday morning in Yangon with a live audience, which is invited to join the discussion as well.



#### TV Schedule

Sunday	19:15	night	repeat
Monday	10:15	15:15	night repeat
Wednesday	10:15	15:15	night repeat
Friday	10:15	15:15	night repeat

DVB Debate aims to contribute to a new culture of open debate, in which anyone can participate and agree to disagree, in order to exchange ideas, create better mutual understanding and find solutions for societal issues to improve the future of Myanmar.

The team invites fellow media and debating clubs to join this initiative for open debate. A weekly press release, press picture and cartoon are available shortly after the recording. DVB Debate also has a modest budget to support local debating initiatives.

For any inquiries, remarks or questions, please call 01292743 (office hours), leave a comment on [facebook.com/dvb.debate](https://facebook.com/dvb.debate) or email [debate@dvb.no](mailto:debate@dvb.no).

# DVB DEBATE



Welcome to DVB Debate, Myanmar's 1st open debate program. This week's debate question is:

***“Does taxation lead to more democratisation?”***

If you have any remarks, suggestions or questions, please ask a team member,

call 01292743 (office hours) or email [debate@dvb.no](mailto:debate@dvb.no).

## **This week's topic is TAXES AND SERVICES**

### ***Historical context:***

Burma's tax system is mainly based on the Income Tax Law and the Commercial Tax Law. There are five major taxes within the 15 kinds of tax; income tax, profit tax, commercial tax, stamp duties and state lottery tax. Bad financial habits of the old military regime have left public finances in Burma in a precarious position and the emerging market economy is in desperate need of fiscal consolidation. Poor enforcement of tax payment and a lack of accountability has allowed more than half of eligible taxpayers, including many wealthy cronies, to avoid paying their dues. Bribery, corruption and unofficial sales and exports have also helped many people to avoid paying tax. In some parts of the country, extortion fees, or "unofficial tax" from military units, police and government officials is commonplace, but civilians see little reward from these taxation schemes other than the ability to carry on their work without harassment. Since President Thein Sein's reformist government took power from the former military junta in 2011, Burma's tax system has begun to be reformed. New law, legal amendments and increased enforcement are attempts to level the playing field and ensure Burma's tax system is based on policy, not the whims of powerful officials. However, many still criticise the system for a lack of transparency, and without the instillation of public services that taxpayers hope for there is still a huge lack of trust amongst the public.

### ***Facts & figures:***

- On 28 March 2014, the Union of Myanmar Revenue Law of 2014 and four other tax bills were signed into law and effective from 1 April 2014 (The other new laws include amendments to the Income Tax Law, Commercial Tax Law, the Stamp Duty Law and the Court Fee Act.)
- Myanmar tax structure comprises of fifteen different taxes and duties administered by the Internal Revenue Department (IRD)
- Myanmar operates a one-tier corporate tax system, under which all dividends received from a company are exempt from income tax in the hands of shareholders.
- Myanmar currently has double taxation treaties with India, Laos, Malaysia, Singapore, South Korea, Thailand, United Kingdom, and Vietnam.
- A branch of a foreign company is taxed at a rate of 35% on Myanmar-source income.
- According to statistics from Burma's Ministry of Finance and Revenue, some 70 percent of Burmese people did not pay taxes in 2012.

### ***Points of view:***

"Everybody must be party to taxation. With a solid tax system in place, our country will grow from an important source of revenue."  
(Aung San Suu Kyi- Chairperson, National League for Democracy)

"It seems that those who were able to avoid paying taxes in the past are still able to do so... The trouble is that enforcement is still very weak, despite the new rules"  
(Han Tun- Former IRD official)

"There [should be] no one who is getting tax exemption or special permission to do business in the country. If there is someone who is getting these opportunities, the system needs to be fixed,"  
(Shwe Mann- Speaker for the Lower House of Parliament)

### ***Information links:***

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