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Author

Geraldine Oh
Resident Partner
ZICO Law Myanmar

Thuzar Tin

Senior Associate
ZICO Law Myanmar
thuzar.tin@zicolaw.com

Change in Income Year and Assessment Year for Co-operatives and Private Sectors

In 2018, the Myanmar Government changed the financial year starting from 1 October to 31 September from 2018 (“**New FY**”). However, this did not affect private and co-operative sectors, other than banks, financial institutions and stated-owned enterprises, and the financial year remained unchanged from 1 April to 30 March (“**Old FY**”).

Recently, the Internal Revenue Department (“**IRD**”) issued an announcement dated 15 May 2019 (“**the Announcement**”) for the change of income year and assessment year in respect of the financial year for co-operatives and private sectors. The Announcement brings the financial year in line with the state’s new budget as well as section 41 of the Union Taxation Law (2018-2019) which provides that the Ministry of Planning and Finance shall arrange that all tax payers, including stated-owned enterprises, are in compliance from 1 October 2019 regarding to the provisions of financial year.

According to the Announcement, the income year and assessment year will be amended as follows:

Income Year	Period
2018-2019	1 April 2018 to 31 March 2019 (12 months)
2019	1 April 2019 to 30 September 2019 (six months)
Assessment Year	
2019	1 April 2019 to 30 September 2019 (six months)
2019-2020	1 October 2019 to 30 September 2020 (12 months)

The IRD decided to change the tax year for co-operatives and private sectors to occur simultaneously with that of state-owned enterprises. A transition period of six months, starting from 1 April 2019 to 30 September 2019, is provided to allow the IRD to determine the total tax payments made by the taxpayer for the relevant period. After filing a 12-month tax return by June 30 2019, companies will be required to file another return by December 31. This is to allow the IRD to assess the return without waiting until the end of the submission period of a return of income, as it will be required to finish the assessment for 2018-2019 income year within the six months period of 2019 assessment year. Thereafter, the new financial year for all taxpayers will be the same and tax return will be required to be filed by December 31 for every year.

If you have any questions or require any additional information, you may contact [Geraldine Oh](#) and [Thuzar Tin](#) of ZICO Law Myanmar.

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