

### **Yangon Government Collects \$47.5m in Income Tax from Foreigners**

At the parliamentary meeting of the Yangon Regional Government, a lawmaker expressed concern that many foreign workers were not contributing to state coffers. Taxes are collected from the foreigners from Yangon who are using the working visas in totaled more than K61 billion or roughly \$47.5 million in 2015-2016 financial year. The minister revealed "Foreigners and citizens both have to pay tax. Either USD or Myanmar Kyat is acceptable. However, U Than Naing Oo, a member of Yangon Regional Parliament described that "most Chinese workers in Myanmar may not have work permits issued by ministries and also they will not pay income tax". According to their rules, the income taxes are like for the foreigner who earns under K2 million annually is not necessary to pay tax. But, above that tax rate is 5% up to K5 millions; 10% for between K5 and K10 million and 15% for K10 to K20 million, 20% for K20 million to K30 million and 25% for K30 million and above, respectively. Besides, local companies or organization have to submit a request to the ministry that covers their industry to employ foreign workers. A worker's first work visa is issued for 70 days, then they can apply six months on renewal and after that 12 months. In my opinion, the foreigners may follow the government's rules to pay the income tax but they are not happy to pay because they know some local companies are not fully pay the tax on their incomes. When the rule is fixed for both local and foreign companies, hopefully they have to follow the rules properly with no complaint.

*Learnt from: Myanmar Business Today (November, 2, 2016)*

### **Government starts work on real estate service law**

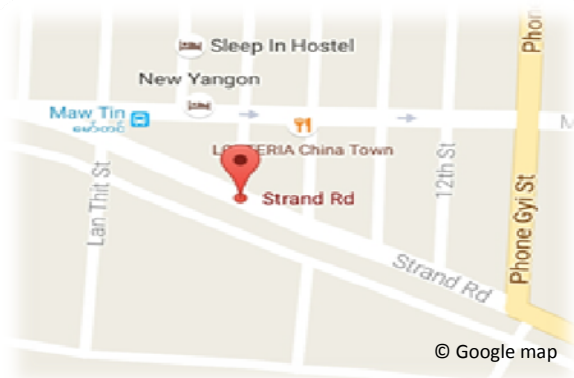
The Myanmar Real Estate Service Association (MRESA) submitted a draft proposal for real estate service legislation in August this year. On November 6, the commission will try to draw up a formal draft quickly in the meeting with MRESA. Now the law is submitted to national parliament and after negotiating by the commissioners, the law would be

published and be effective probably from January, 2017. "As the real estate law is also related to the property law, the property law will also be released soon after this law is legalized", said U Khin Maung Than, the chairman of Myanmar Ray Real Estate Services Co., Ltd. According to his saying, Real estate service law is included in the essential 45 submitted laws. Although, the MRESA draft proposal does not mention a tax on real estate agents and brokers yet, any formal legislation would involve a taxation. If the law is enacted, the agents and brokers would pay taxes from their incomes. Fees can be around K3 million for broking the sale of a K100 million property. This is also going to be good for the foreign investors who want laws to protect their investment. Moreover, a Condominium Law is already passed in January allows for foreigners purchasing Myanmar Property, although the rule and regulations accompanying the law have not been published. The MRESA also wants a license system put in place, which would make it harder for brokers providing poor service or committing outright fraud. By making this law, Myanmar real estate services will be systematic with full responsibility and assurance. Moreover, it would be able to reduce fake and cheating crooked agents and it is going to be good for the foreign investors that they can protect their investments. Therefore, Real Estate Service Law is involved as an essential role in making the sector favorable for foreign investments. If the law is enacted, the people who want to provide real estate services would need a license, which will prevent cheating and fakes and become higher profession. In order to get the license, an agent or a broker would need to take a class and pass the exam that is confirmed by MRESA. Although the commission would include MRESA proposals in the government draft, but they will also consider any advices from other associations and people. And the law will be legalized soon. By enacting these laws, the real estate business in Myanmar will be more reliable and improved even in ASEAN Real Estate Field, of course, the government would also benefit financially from real estate service law.

*Learnt from: Myanmar Times (November, 10, 2016)*

### **New night market business is started in Strand Road of Yangon**

The very first night market which is arranged by the government is finally based along Strand Road from Kyawtada to Lanmadaw Township. We have been seeing a lot of night markets on the streets of Yangon which are not legally managed by the government. Yangon is the place crowded with a lot of vendors on the platforms.



Their shops are taking place all over the streets that leads people to confuse to use the platforms and makes the city unclean. Opening of this new night market is going to be convenient for both people and vendors. In fact, most of the vendors on the streets do not have the right to own the shop place. They only sell the consumer goods only with understanding each other. They have no discipline and this lack makes the city unpleasant. In case there is a problem, their shop spaces can probably disappear anytime due to many reasons. Therefore, creating the night market in an established way will help those vendors to sell safely and freely in this new night market. For the citizens, they can pass through the streets peacefully. In order to reduce those vendors on the street, Yangon Region government and YCDC started a new plan in a movement to ease congestion and relocate street-side vendors from the busiest roads in the commercial capital.

The new night market will provide affordable access to healthy food and will also reduce traffic jams

downtown by getting vendors off from the main streets. Vendors will soon be banned from the downtown streets. YCDC will provide the water, electricity, cleaning and mobile toilets, but they will take charge from vendors for using but the vendors are not necessary to pay the tax for their business. That would be good news for the vendors.



At present, there are more than 6,000 vendors in downtown. But, the market space is sufficient for 1,600 vendors. So, 4,000 out of all the vendors will still work on the streets. For the vendors who have registered with YCDC, they are not allowed to transfer their spaces to other entrepreneurs. The shop spaces are 32, 36 and 64 square feet in size. The service tax is very fair with only 300 kyats for largest shops and 150 kyats for smaller shops per day. The electricity cost will be 7,000 kyats per month. The next good news is lamp posts, CCTV cameras and mobile toilets were donated by Japan Sumitomo Corporation. The night market will be open from 3pm to 11pm everyday on the strand road from Kyawtada to Lanmadaw Township. In contrast, the new market is free of taxes and only for the services and the foods are intended to be clean and healthy with quite nice facilities, people would be able to make nice business in a clean environment and consumers can find their satisfaction right in a place.

*Learnt from: Myanmar Times (November, 24, 2016)*

This article is drawn up and published by Japan Valuers (Myanmar) Co. Ltd. All rights reserved. "We value and appraise the "ASSET" upon the request according to the global standard". For more information, visit our website: [www.jvmyanmar.com](http://www.jvmyanmar.com)

Japan Valuers (Myanmar) Co. Ltd. is the local subsidiary of Japan Valuers Co., Ltd. headquartered in Tokyo, Japan. Visit and Contact at: [www.japanvaluers.com](http://www.japanvaluers.com) for more information about Japan Valuers and its global network.