

Pyidaungsu Hluttaw

# Pyidaungsu Hluttaw discusses tax system

THE seventh regular session of the second Pyidaungsu Hluttaw held its 13<sup>th</sup>-day meeting at the Pyidaungsu Hluttaw meeting hall yesterday morning.

At the meeting, union-level organisations explained the Public Accounts Joint Committee's report on the findings and comments on tax collected for the first six months of the 2017-2018 fiscal year (FY), as well as matters discussed by the MPs on the report. The MPs also discussed the 2018 Union Tax Bill.

Union Minister U Ohn Win, deputy ministers U Hla Kyaw, U Tha Oo, Dr. Tun Naing, U Aung Htoo and U Maung Maung Win, and Nay Pyi Taw Council Member U Tin Htut explained the Joint Public Accounts Committee's report (4/2018) on the findings and comments on tax collected for the first six months of the 2017-2018 FY and the matters discussed by the MPs on the report.

Union Minister for Natural Resources and Environmental Conservation U Ohn Win explained that of the Ks966.588 million earmarked for the first six months through the forest sector, Ks2.577.232 billion was collected, resulting in a collection percentage of 266.64.

In the mineral and gems sector, the planned amount for the first six months was Ks13.57 billion, but Ks19.942.53 billion was collected. Of the Ks320 million planned for pearl oyster tissue implant tax, Ks252.686 million was collected. Of the total Ks13.890 billion planned, Ks20.195.216 billion was collected, achieving a collection percentage of 145.39, said the Union Minister.

Similarly, Deputy Minister for Agriculture, Livestock and Irrigation U Hla Kyaw explained that the Fishery Department planned to collect Ks1.500.38 billion, but Ks2.200.458 billion was collected. The excess collection



MPs discuss various tax systems and stock shares at the 13th day of the Seventh Regular Session of the second Pyidaungsu Hluttaw in Nay Pyi Taw. PHOTO: MNA

was possible owing to a better price accrued through the auctioning of fish ponds and higher amount of tax collected through fishery works in the sea, said the Deputy Minister.

He further explained that the Immigration Department, Customs Department, port authority, the Department of Marine Administration, Myanma Economic Bank, Internal Revenue Department, Myanmar Police Force and the Fishery Department were providing one-stop service teams to the inspection stations.

Deputy Minister for Planning and Finance U Maung Maung Win then remarked on the comments made on increasing the tax collection and said the public was being educated on the benefits of paying stamp tax, so the habit of paying tax is instilled.

Keeping in mind those who had dutifully paid their taxes and to protect their rights, work plans are being set up to prevent illegal imports, and production and distribution of products for which tax is not paid. Starting from 2014, programmes to affix tax stamps on receipts of restaurants, hotels and motels were conducted. While importing fuel oil, a commercial tax of 5 per cent was collected, together with custom

duties collected by the Customs Department. Some Ks149.938 billion in outstanding taxes were to be collected, of which Ks75.895 billion was collected. Notifications were also published continuously in the daily newspaper to settle the outstanding taxes, which were being collected by field teams. Plans were drawn and implemented to form township support teams in states/regions to increase the tax base and ensure no one who ought to pay tax is left out, said the Deputy Minister.

The report was then submitted by Public Account Joint Committee Secretary Dr. Sai Hsai Kyauksan, and the Hluttaw decided to accept and confirm it.

Next, the 2018 Union Tax bill was discussed by MPs.

In his discussion, U Soe Thein of Kayah State constituency (9) said the reduction of the tax rate on cigarettes needs to be reviewed. To prevent the effect of cigarettes and liquor on the health of the public, countries worldwide are collecting high taxes on such products. Tax should be collected with a view towards benefiting public health, instead of businesses, he noted.

The government is helping and supporting small and me-

dium enterprises (SMEs) and should strive towards converting SMEs into businesses that do not harm the health and environment. Here, the example of Indonesia should be taken, said U Soe Thein. The amount of money circulating in the country is way above the amount printed by the Central Bank. Some local constructions were, in fact, just a front for foreign black money and drug money. He suggested considering the international money laundering law and other factors as well.

Daw Phyu Phyu Thin of Mingala Taungnyunt constituency said tax relief was being provided with an aim to help people participate in the country's economic development. Some countries, including America (United States of America), are giving tax amnesty. According to the proposed bill, incomes on which tax was not paid in Myanmar can enter into the legal fold. However, other countries have a good tax system and are good at implementing it, while Myanmar lagged in the implementation, he said.

Daw Cho Cho of Ottwin added that when businesses in the country develop, work opportunities will become transparent for workers, resulting in higher

living standards. However, if the money owned by Myanmar nationals in foreign banks and black money become white in bulk, tax reduction will not be beneficial. The real aim of tax amnesties is not to get more tax but to create investments that are beneficial to the country in the long term, said Daw Cho Cho.

U Khin Cho of Hlaingbwe constituency noted that the stock share market was yet to be a success in the country. To raise the understanding and participation of the public in stock shares, developing the stock share sector for the country's development and raising the living standard of the people is the responsibility of the government. U Khin Cho said that it was the responsibility of the legislative and administrative sectors of the government to develop the stock share sector.

Tatmadaw Amyotha Hluttaw representative Lt-Col Aung Kyaw Zaw said SME businesses must be considered when providing tax breaks. Clause 25 of the tax bill is welcome, but the matters of money laundering and black money becoming white must be noted. Reducing the tax rate to an amount acceptable by the public will increase the amount of tax flowing into the state coffers, but the time frame of six months is too short a duration. It should be at least a year to ensure there is sufficient time for the people of this country to adopt a good tax culture.

The money involved in real estate transactions is high, but the tax obtained from this is low. People are paying a high amount of money to buy and rent real estate, and if tax is collected at a low and transparent rate, the public's trust over the tax system will rise, while the state will also obtain higher revenue from it, said Lt-Col Aung Kyaw Zaw. —Myo Myint, Hmwe Kyu Zin ■

## Nippon Foundation builds 100<sup>th</sup> school in Rakhine State

THE Ministry for Border Affairs held a ceremony to commemorate the opening of Kwee Tel Basic Education Middle School in Sittway, Rakhine State on Monday.

Kwee Tel school is the 100th school built by the Ministry in collaboration with the Nippon Foundation and Bridge Asia

Japan (BAJ), an INGO based in Japan.

Rakhine State Chief Minister U Nyi Pu delivered the opening speech at the ceremony followed by a speech from Deputy Minister for Border Affairs Major General Than Htut. Nippon Foundation Chairman Mr. Yohei Sasakawa explained the school

projects they are implementing in Rakhine State. Japanese Ambassador to Myanmar H.E. Mr. Tateshi Higuchi then gave a short speech followed by BAJ Chairperson Ms. Etsuko Araishi explaining their future plans for constructing additional schools.

Afterwards, Deputy Director for Rakhine State Basic Edu-

cation Department, U Sein Htun Hla, and a representative of Kwee Tel Village expressed their gratitude for the school. Ms. Akiko Mori, a BAJ representative, then conferred commemorative flags to the attendees before they toured the completed school.

The Nippon Foundation has donated an estimated US\$6

million (Ks8.03 billion) for the construction of 100 schools in Rakhine State between the years 2013 and 2018. The initiative is headed by the Department for Border and Ethnic Development under the Ministry for Border Affairs with construction handled by BAJ. —Myanmar News Agency ■