

Policy Incentives Granted to Local SMEs in Myanmar

Tax

A. Direct tax (Income taxation)

The following incentives are granted to medium and small scale enterprises;

Companies

- (a) Basic allowances for individual firms (excluding companies)
- (b) Depreciation allowance for building plants and machinery (Depreciation allowance at scheduled rates)
- (c) The right set off loss against other sources of income during the year.
- (d) The right to carry forward of loss to the subsequent years.

Small enterprises

- (e) Small enterprises not covered by the Income tax Law are subject to pay under the Profit tax law
- (f) Profit tax is charged on Income from small scale owners who do not keep proper book of accounts

B. Indirect tax (others)

Commodities produce by enterprises established in Industrial Zone are required to pay only 20% of actual Commercial Tax due

The relief was given to Local SMEs with and intent that finish goods by SMEs could be competitive with imported goods in the market