

Update on Timeline for Stamping of Instruments

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The Myanmar Internal Revenue Department (“IRD”) has issued a publication on 14 May 2019 regarding the timelines for stamping of instruments. The Publication is meant to reiterate the deadlines of stamping whether the instruments are executed in or outside Myanmar and the consequences of not stamping instruments within the stipulated timelines, including the ten times penalty.

In this newsletter, we provide a summary of the publication:

In the Publication, IRD states the timelines for stamping instruments in accordance with the Myanmar Stamp Act (“**the Act**”) whether the instruments are executed within the Republic of the Union of Myanmar or outside as below:

- If an instrument chargeable with duty is executed by any person in the Republic of the Union of Myanmar, it shall be stamped before or at the time of execution. Please note that the timeline stipulated in the Publication is in line with section 17 of the Act stating that *“all instruments chargeable with duty and executed by any person in the Republic of the Union of Myanmar, shall be stamped before or at the time of the execution”*.
- If an instrument chargeable with duty executed only out of the Republic of the Union of Myanmar and not being a bill of exchange or a promissory note, shall be submitted to the township revenue office and stamped within three months after it has been first received in the Republic of the Union of Myanmar. Please note that the timeline stipulated in the Publication is in line with section 18(1) of the Act stating that *“every instrument chargeable with duty executed only out of the Republic of the Union of Myanmar and not being a bill of exchange or a promissory note, may be stamped within three months after it has been first received in the Republic of the Union of Myanmar”*.

In the Publication, the IRD reiterates that no instrument chargeable with duty by any person shall be admitted to receive evidence or shall be authenticated unless such instrument is duly stamped pursuant to section 35 of the Act.

In the Publication, the IRD also states that each person in charge of public offices shall impound the unstamped duty instruments and submit to the Township Revenue Officer. This statement is in line with section 33 of the Act stating that every person who, by law or

consent of parties, has the authority to receive evidence and every such person in charge of a public office, except a police officer, before whom such instrument is produced, in his opinion, finds that such instrument is not duly stamped, he can impound the same. For the purpose this Section, in cases of doubt, the Ministry of Planning and Finance may, with the approval of the Union Government, determine what office shall be deemed to be public offices and who shall be deemed to be persons in charge of such public offices.

Finally, the IRD emphasizes that the Township Revenue Office (Collector) shall determine if there is any stamp duty underpaid and collect the applicable level of stamp duty payable and the ten times penalty of the duty payable. Please note that pursuant to section 48 of the Act, the Township Revenue Officer (Collector) can recover the duties, penalties and other sums required to be paid under this Act, by distress and sale of the moveable property of the person from whom the same are due or by any other process for the time being in force for the recovery of arrears of revenue.

Based on the above, all dutiable instruments executed in Myanmar are required to be stamped with the Township Revenue Office before or at the time of execution and any late stamping is subject to ten times penalty. The Myanmar Stamp Act was introduced in 1899, but has not been subject to significant revisions since then. As a result, Myanmar's stamp duty regime may not be always clear and its application may be inconsistent in practice. Given the tight deadline for stamping with hefty penalty for late stamping, it is recommended for the taxpayers to submit the draft agreements to the relevant Township Revenue Office in advance before the execution to confirm the applicable stamp duty payable.



Contacts

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