



# Taxation in Vietnam and Myanmar

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Income Tax. Tax Incentives. Withholding Tax. CGT

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Indirect Taxes

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Personal Income Tax

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Double Tax Agreements

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Other Comparisons

	Vietnam	Myanmar
Corporate income tax	<ul style="list-style-type: none"> <li>• 25%</li> </ul>	<ul style="list-style-type: none"> <li>• 25% for resident corporations</li> <li>• 25% for FIL Branch</li> <li>• 35% for Non-FIL Branch</li> </ul>
Deductible expenses	<ul style="list-style-type: none"> <li>• Business expenses</li> <li>• Actually incurred</li> <li>• Supported by invoices</li> </ul>	<ul style="list-style-type: none"> <li>• Expenditure incurred for the purpose of earning that income</li> <li>• Depreciation</li> </ul>

	Vietnam	Myanmar
Non-deductible expenses	Specific instances of non-deductible expenses	<ul style="list-style-type: none"> <li>• Capital expenditure;</li> <li>• Personal expenditure;</li> <li>• Expenditure not commensurate with the volume of business;</li> <li>• Certain payments</li> </ul>
Depreciation	Provided for by regulations	Provided for by regulations
Loss carry forward	5 years	3 years

	Vietnam	Myanmar
Foreign Investments	Depends on location or business activity	Generally, all FIL registered entities
Period of Income Tax Exemption	2-4 years	5 years
Preferential rate	10-20% for 10 – 15 years, or entire duration	None
Reduced rate	50% reduction for 4-9 years	50% reduction for exports
Special Economic Zones	Available	Available
Others	Customs exemption	Customs exemption CT exemption

Payment	Vietnam	Myanmar
<b>Residents</b>	-	<b>Creditable WHT</b>
Services	-	2%
Goods	-	2%
Dividends	-	-
Interest	-	-
Royalties	-	15%
<b>Non-residents</b>	<b>Foreign Contractor Tax</b>	<b>Final WHT</b>
Services	5% CIT and 5% VAT	3.5%
Goods	1%	3.5%
Dividends	-	-
Interest	5%	15%
Royalties	10%	20%

	Vietnam	Myanmar
Treatment	Other income	Separately reported
Rate	25%	10% for residents 40% for non-residents
Indirect transfers	Generally, non-taxable unless there is a change in license of VN entity	Unclear. Capital gains are gains realized from the sale, exchange or <u>other ways and means of transfer</u> of one or more capital assets

Indirect Tax	Vietnam	Myanmar
Value Added Tax	0, 5, and 10%	-
Commercial Tax (Goods)	-	5%
Commercial Tax (Services)	-	5% on 14 types of services
Availability of Input Tax Credits	Yes	Generally, yes
Availability of refunds	Yes	Yes, by way of tax credit
Excise Tax	Special Consumption Tax on non-essential and luxury items	Higher CT on certain goods (Schedule 6)



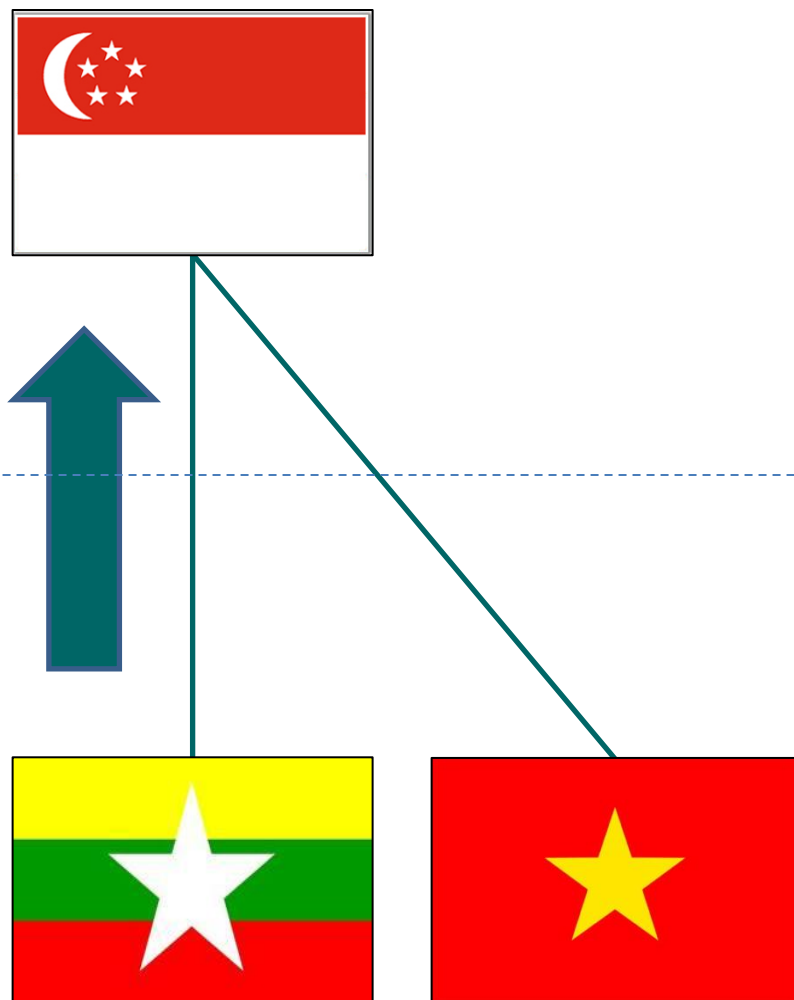
	Vietnam	Myanmar
Residents	5-35%	1-20%
Non-residents	20%	35%
Taxable salaries and benefits	Various allowances may be exempt	Generally covers all benefits, except personal and other allowances
Other contributions	SI, HI, UI	Social Security Fund

# Territories having DTAs with both countries

Remittance to:	Vietnam	Myanmar
	Interest	
Non Treaty country	5%	15%
India	10%	10%
Korea	10%	10%
Lao PDR	10%	10%
Malaysia	10%	10%
Singapore	10%	8-10%
United Kingdom	10%	No provision
Thailand	10-15%	10%

# Territories having DTAs with both countries

Remittance to:	Vietnam	Myanmar
	Royalties	
Non Treaty country	10%	20%
India	10%	10%
Korea	5-15%	10-15%
Lao PDR	10%	10%
Malaysia	10%	10%
Singapore	5-15%	10-15%
United Kingdom	10%	Exempt
Thailand	15%	5, 10, or 15%



Payment	SG-VN DTA	SG-MM DTA
Business profits (e.g. services)	Exempt from WHT if no PE (6 months)	Exempt from WHT if no PE (6 months)
Interest	8-10%	10%
Royalties	5-15%	10-15%
Capital Gains	Exempt unless 50% assets immov.	Exempt unless 50% assets immov. Max. 10%

- Duty of self-assessment
- Statute of Limitations
- Taxation of Permanent Establishments (PE)
- Liability in case of failure of local party to withhold
- Procedure to enjoy DTA relief
- Transfer Pricing
- Tax rulings

Thank you



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