

Guide to Importing Goods into Myanmar

Goods are imported into Myanmar when they enter Myanmar's customs territory. Different rules apply to imports depending on whether they are commercial or non-commercial in nature. (Articles accompanying a traveler, such as personal clothing articles in actual use and small quantities of tobacco and alcohol are usually considered to be non-commercial and duty and tax exempt.)

The laws and regulations governing imports are complex and most importers use professional experts, known as freight forwarders and customs brokers, to assist them in planning and carrying out import transactions. [Click here](#) for a list of Myanmar freight forwarders and customs brokers.

Imports into Myanmar are controlled by the Customs Department of the Ministry of Finance ("Customs"). Customs is responsible for assessing and collecting applicable customs duties and taxes on imports and carrying out other regulatory and law enforcement responsibilities relating to imports.

Automation of import – export processes by Myanmar Customs

Myanmar Customs is currently developing a fully automated customs management system that it expects will be operational by late 2016. For details about this automated system click here.

Customs is currently developing the Myanmar automated cargo clearance system (MACCS) designed to automate a number of areas of customs operations. These include user registration, clearance of goods, cargo management, payment, information technology, and the helpdesk. MACCS will connect with shipping and airlines, the Port Authority, warehouse operators, brokers and importer/exporters and also with other government agencies. It will initially be installed in Yangon and later in other customs offices throughout Myanmar. Eventually MACCS will provide the basis for a National Single Window (NSW) where submission for licenses to other government agencies and approvals or rejections may be made using MACCS. It is planned for MACCS to be operational by late 2016.

MACCS should significantly reduce the time for customs processing of imports and exports and also improve the collection of revenue and enforcement of import restrictions.

The steps necessary for importing goods are outlined below:

Registration of Business

In order to import goods into Myanmar a business must first register as a company authorized to engage in international trade and then register as an importer. For details about the registration of businesses, [click here](#).

1. In order to be able to import goods an importer must first register a company that is to engage in international trade with the **Directorate of Investment and Company Administration, Ministry of National Planning and Economic Development (DICA)**. Registrations can be up to three years or five years. For more information about company registration, [click here](#).
2. An importer must also register with the **Department of Trade, Ministry of Commerce**. Registrations can be up to three years, but the time must not exceed the company's registration to engage in international trade. The fee for registration is K50,000. For more information about registration with the Directorate, [click here](#).
3. The importer must also join the **Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)**. For information about joining the UMFCCI, [click here](#).

Nationality Requirement

Generally only Myanmar businesses are allowed to engage in import transactions. For more details about this requirement, [click here](#).

Normally only Myanmar nationals are allowed to engage in international trade. However, imports of inputs by foreign manufacturing firms that have registered under the Foreign Investment Law and are also registered as an importer with the Directorate of Trade are excepted from this nationality requirement.

Customs Declaration and Required Accompanying Documents

In order to clear Customs imports must be accompanied by a customs declaration and required accompanying documents. For details about these requirements, [click here](#).

1. All incoming consignments of good must be cleared through Customs using an import declaration form. This is CUSDEC – 1. [Click here](#) for a copy of this form.
2. Required accompanying documents include:
 - a. An import license (when required)
 - b. The invoice
 - c. Bill of lading, air consignment note, or truck note
 - d. Packing list
 - e. Other certificates, permits or import recommendations, as required (for example, a country of origin or SPS or FDA certificate)

3. The customs declaration and supporting documents must be submitted to Customs at the time that the goods arrive. (Customs has not yet adopted pre-arrival processing for most imports.)

Import licenses

Some goods require an import license for importation. For details about import licenses, click here.

1. The Government of Myanmar is currently liberalizing requirements for obtaining an import license as a precondition to importing goods. However, 4405 tariff items still require an import license (out of 9558 tariff items at the 8 digit level and an additional 418 items at the 10 digit level).
2. The Department of Trade of the Ministry of Commerce issues import licenses. Some licenses are automatic but in many cases import licenses are issued based upon the recommendations by relevant ministries, agencies and business associations.
 - a. Automatic licenses are used to monitor trade flows and for the licensing revenue. Automatic licenses require no approvals from other government ministries or agencies and are automatically issued by the Ministry of Commerce.
 - b. Non-automatic licenses are required when an advice letter or permit or certificate from another government ministry or agency is a precondition to importation. For information about licenses required for specific commodities please **click here**.
 - c. The Ministry of Commerce requires that import transactions take place using CNF or CIF Incoterms. Other Incoterms are not currently authorized.
 - d. The Ministry of Commerce reviews the price levels of import transactions and may deny an import license if the price level of a particular import transaction is deemed contrary to the national economic interest.
3. The main ministries and agencies providing recommendations for import licenses are: Ministry of Health (Food and Drug Administration); Ministry of Science and Technology; Ministry of Livestock, Fisheries and Rural Development (Department of Fisheries, Department of Livestock, Breeding and Veterinary); Ministry of Agricultural and Irrigation (Department of Agriculture, Plant Protection Division and Pesticide Division); Ministry of Information (Myanmar Film Enterprise); Ministry of Energy (Department of Myanmar Petroleum Products); Ministry of Environmental Conservation and Forestry (Forest Department, Environmental Conservation Department); Ministry of Mines; Ministry of Home Affairs (Central Committee of Drug Abuse Control); Ministry of Communication and Information Technology (Myanmar Communications Department); Ministry of Transport (Inland Water Transport); Ministry

of Rail Transportation (Road Transport Administration Department); Ministry of Finance (Customs Administration, Internal Revenue), Ministry of National Planning and Economic Development (Myanmar Investment Commission).

4. Applications for import licenses have been automated. See the **tradenet** website, **eservice.myanmartradenet.com**. However, manual applications are also accepted. Applications are accepted at the Trade Department's Headquarters at Nay Pyi Taw, and in Yangon, Mandalay and certain border offices. (Myanmar Customs operates a Border Trade Online System (BTOS) for processing import licenses at border posts.)
5. For import licensing applications a processing fee from K250 to K50,000 is charged.
6. License requirements are reviewed on an annual basis each July and there may also be occasional additional changes during each year

Required certificates, permits or advice letters, etc.

1. Depending upon the nature of the non-automatic license import, certificates, permits or import recommendation letters may be required from regulatory authorities.
2. A country of origin (COO) certificate from the appropriate foreign government ministry or chamber of commerce is normally required in order for imports to qualify for ASEAN or other preferential duty treatment. In addition to exports from ASEAN members, Myanmar (through ASEAN) has entered into free trade agreements with Korea, Japan, India, China and Australia-New Zealand.

Labeling requirements

Labeling regulations apply to imported goods. For details about labeling requirements, click here.

1. Under the National Food Law and the National Drug Law, food and pharmaceutical products must be labeled.
2. Food labels must clearly state the name of the product, contents including name and net weight, the manufacturer's name and address, batch number, manufacturing date, expiry date, and required storage conditions.
3. Pharmaceutical labels must clearly state the brand name, generic name, active pharmaceutical ingredients (API), and contents, including name and amount, batch number, date of manufacture, expiry date, and manufacturer's name and address, in English.

Payment of customs duties and taxes

Customs duties and taxes may be assessed on imports. For information about when duties and taxes are assessed and the assessment process, click here.

1. Customs duties assessed on imports are determined based upon three factors:
 - a. *The customs classification of the imported goods.*
 - i. The classification, or legal description, is based upon the goods classification under an international tariff nomenclature, the Harmonized Commodity Description and Coding System, or “HS”, an international agreement administered by the World Customs Organization (WCO) that categorizes all goods into about 5000 commodity groups, each identified by a six-digit code.
 - ii. Myanmar applies the ASEAN 8 customs code, which is based on the HS. This is comprised of 9558 tariff lines at the 8-digit level and an additional 418 lines at the 10-digit level.
 - iii. Based upon tariff classification and country of origin, either a Most Favored Nation (MFN) tariff rate or preferential tariff rate is applied.
 - iv. MFN tariff rates in Myanmar are arranged in 15 tariff bands ranging from zero to 40%. Most ASEAN FTA rates (93% or about 8800 lines) are duty free.
 - v. **Click here** to go to the Myanmar tariff schedule.
 - b. *The customs valuation of goods*
 - i. Myanmar Customs plans to implement the WTO Agreement on Customs Valuation in 2016. The WTO Agreement requires the use of the “price paid or payable” (contract price) as the primary valuation methodology. Myanmar’s current valuation approach is to use 5 methods: the c.i.f. invoice price of the goods, sales contracts, insurance information, internet prices and other recorded prices.
 - c. *The origin of goods.*
 - i. Origin is determined mainly for assessing preferential duty rates, such as rates established by the ASEAN Trade in Goods Agreement (ATIGA). Under ATIGA, over 8800 tariff lines are duty free. ASEAN has specific rules for determining ASEAN origin.
 - ii. Myanmar (through ASEAN) also has preferential tariff agreements with China, Korea, India, Japan, Australia and New Zealand.
2. After Customs has assessed the duty payable, the importer may pay the duty in cash, or by a payment order (a bank money order)..
 - a. Cash payments are only permitted for debts less than K5000.
 - b. The daily exchange rate as determined by the Central Bank of Myanmar is used for duty assessment.

3. A commercial tax and/or an excise tax may be applied to imports, depending on the import's "classification". To view the applicable commercial and excise tax schedule, ***click here***. (The Union Tax Law is revised on an annual basis with new provisions taking effect on 1 April.)
4. A specific goods tax (SGT) was recently approved and will become law on 1 April 2016. Commercial taxes may be phased out and replaced by the SGT.
5. Customs collects a 2% advance income tax on imports for the Internal Revenue Department.

Prohibited imports

Myanmar prohibits the importation of certain goods. For information about prohibited imports, click here.

1. WTO's GATT, Article XX and XXI, permit WTO members to prohibit the importation of certain articles that endanger public morals, threaten human, plant or animal life, involve the importation of gold and silver, arms and ammunition, and similar items.
2. The Directorate of Trade of the Ministry of Commerce has exercised its rights under these GATT provisions to prohibit the following importations:
 - a. Counterfeit currency and coins
 - b. Pornographic material
 - c. All kinds of narcotic drugs and psychotropic substances
 - d. Playing cards
 - e. Goods bearing the emblem of Buddha and pagodas of Myanmar
 - f. Arms and ammunition
 - g. Antiques and archeologically valuable items
 - h. Wildlife endangered species
 - i. Other prohibited commodities in accord with existing law

Customs inspection of imports

Myanmar Customs examines imports to assure that they have been properly declared. For information about customs inspections, click here.

Customs reviews all import documents and physically inspects imports based upon its assessment of risk. Imports are divided into three categories: green, yellow and red. Green denotes the least risk, yellow, an intermediate risk, and red denotes high risk. Overall, about 10% of imports are physically inspected and additional imports are subject to x-ray scan.

Special economic zones (SEZs)

Myanmar has created special economic zones to encourage foreign direct investment and the export of manufactured goods. For information about special economic zones, click here.

Special economic zones are areas that are geographically within a nation but are outside a nation's customs territory for the purpose of the collection of customs duties and other indirect taxes (such as excise and sales taxes). Businesses located in SEZs frequently conduct export processing operations, taking advantage of duty and indirect tax exemptions. SEZs have been used by China, Vietnam and other countries to encourage FDI and to experiment with new economic policies.

Myanmar's SEZ legislation was revised in 2014. Under this law, investors who carry out business in a SEZ are eligible for a variety of tax exemptions and reductions. For details, **click here** to review the SEZ law.

The Government currently plans to establish 3 SEZs: Dawei, Kyaukphyu, and Thilawa. Infrastructure is being developed for Dawei. Dawei is not operational. Kyaukphyu is also at an early stage of development. Factories have located in Thilawa but only one has started operations.

Special customs procedures

Special customs procedures may apply to certain imports. For information about these special procedures, click here.

1. Special order procedure

A **Special Order** is the power of the Director General, Customs and the Minister of Finance, to permit imports to enter without the payment of duties and taxes at the time of entry. This procedure can apply to highly perishable goods, the goods of diplomats, and certain other products. The importer must post a financial guarantee (deposit) to be permitted to use this procedure. For more information, **click here**.

2. Transit and transshipment.

Customs transit is the procedure where goods are transported under customs control from one customs office to another without the payment of duties and taxes. **Transshipment** is the procedure when goods are transferred under customs control from the importing means of transit to the exporting means of transit without the payment of duties and taxes. In Myanmar, the ASEAN transit agreement has not yet been implemented. However, Customs applies limited trade transit procedures, permitting the movement of cargo from one vessel to another in port or the movement of goods to the port and then to another vessel (known as "retention procedures"). In addition, transit is permitted between customs offices and through Myanmar to another country. For all transit procedures Customs assesses a fee of

2.5% of the value of the cargo. For more information on transit procedure, ***click here.***

3. Temporary admission.

Temporary admission is the procedure where goods are brought into the customs territory conditionally relieved from the payment of duties and taxes if they are intended for a specific purpose and are re-exported within a specified time frame without change in condition. This is useful for trade shows, visiting musicians traveling with their instruments, etc. Internationally, ATA carnets, serving as both a customs declaration and financial guarantee, are used to effect temporary admission in most countries. Myanmar has not adopted ATA carnets but does have a temporary admission procedure.

4. Customs bonded warehouse (duty free store)

Customs warehousing procedure is the procedure where goods are stored under Customs control without the payment of duties and taxes. (Myanmar has currently implemented this only for duty free shops but is in the process of adopting this procedure generally.) Myanmar currently has only an airport warehouse. Duty free stores at airports and land borders are a special form of customs warehouse where international travelers can purchase goods without the imposition of duties and taxes. Warehouse operators must provide a financial guarantee to Customs. For more information, ***click here.***

5. Inward processing.

Inward processing is the procedure where goods can be brought into the customs territory conditionally relieved from the payment of duty and taxes, on the basis that they are intended for manufacturing, processing or repair and they will then be exported. Myanmar currently has an inward processing procedure known as importation by “cutting, making and packaging” (CMP) in the garment industry and “contract, manufacturing, practices” in certain other industries (industrial and fishery enterprises). Manufacturers using this procedure must provide a financial guarantee to Customs and normally export the finished product within one year. ***Click here*** for more information about CMT.

6. Outward processing.

Outward processing is the procedure where goods that are in free circulation in the customs territory may be temporarily exported for manufacture, processing or repair and then returned with a total or partial exemption from duties and taxes. Myanmar has a customs procedure called “repair and return” that is equivalent to outward processing. A repair and return license is required from the Ministry of Commerce.

7. Drawback.

Drawback procedure means the Customs procedure, when goods are exported, that provides for a total or partial repayment of duties and taxes. In Myanmar imports of machinery and equipment that are re-exported are eligible for duty drawback. The goods must be re-exported within two years of importation, however a one-year extension is possible. Under the current procedure, seven eighths of the customs duty paid on the goods will be refunded on re-export. The drawback claim must be made at the time of re-export and the goods must be easily identifiable. Claims are normally processed within six months.

8. Travelers (passengers)

A **traveler** is a person who temporarily enters a country in which he or she does not normally reside or a person who leaves or returns to a country in which he or she normally resides. Travelers entering Myanmar must submit a customs declaration. ***Click here*** for a copy of a traveler's customs declaration.

Myanmar has adopted a dual channel customs control system, allowing travelers on arrival to choose between the green "nothing to declare" channel and the red "something to declare" channel. A foreign traveler's personal effects are exempt from duty and tax. Foreigners must declare foreign currency exceeding USD 10,000; citizens of Myanmar must declare all foreign currency. Duty and tax free allowances apply to up to 2 liters of beverage alcohol, up to 150 ml of perfume, up to 400 cigarettes, and certain other items.

9. Imports of goods by truck

Myanmar requires cargo trucks and trailers from other countries to be offloaded and then on-loaded to Myanmar registered trucks and trailers at border crossing points. In other countries in the region only the truck and driver are exchanged at the border.

Spotlight on the Garment Industry

Today the garment industry is a leading sector of the economy in Myanmar, with more than 300 factories employing more than 250,000 workers. About half the factories are foreign-owned. All garment production is exported to customers located in many countries around the world. Export sales exceed USD\$1.6 billion. Special, simplified procedures have been developed to expedite the production and export of clothing articles. To read about these special procedures, [click here](#).

Currently almost all garment production in Myanmar is done under the "Cut, Make and Package" (CMP) process. A foreign agent provides the fabric and other materials to produce garments according to contract specifications. An import license to

import the fabric and other materials is obtained from the Ministry of Commerce, based upon recommendation letters from the Ministry of Industry and the UMFCCL. No export license for the finished garments is required. Imported materials and exported finished garments are duty and tax free. The Ministry of Industry monitors the production of factories through daily statistical reports and also issues non-preferential certificates of origin.