

## Guide to Exporting Goods from Myanmar

*Goods are exported from Myanmar when they leave Myanmar's customs territory. Different rules apply to exports 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 logistics, laws and regulations governing exports are complex and most exporters use professional experts, known as freight forwarders and customs brokers, to assist them in planning and carrying out export transactions. [for a list of Myanmar freight forwarders and customs brokers.](#)*

*Exports from Myanmar are controlled by the Customs Department of the Ministry of Planning and Finance ("Customs"). Customs is responsible for assessing and collecting applicable taxes on exports and carrying out other regulatory and law enforcement responsibilities relating to exports.*

### *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 Myanmar Automated Customs Clearance System(MACCS) which is a fully automated customs management system 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. Initially MACCS will be installed in Yangon but eventually it will be used by other customs officers 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 via 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 exporting goods are outlined below:*

### **Registration of Business**

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

1. In order to be able to export an exporter must first register a company that is to engage in international trade with the **Directorate of Investment and Company Administration, Ministry of Planning and Finance**. Registrations can be up to 3 years or 5 years. For information about company registration, [click here](#).
2. An exporter must also register with the **Department of Trade of the Ministry of Commerce**. Registration validity can be up to three years, but the validity duration will be the same as the company registration valid period and Exporter Registration Validation must not exceed the company's registration to engage in international trade. The fee for registration is K50,000 per year. For information about registration with the Department of Trade, [click here](#).
3. The exporter must also join the **Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)**. For information about joining the UMFCCI, [click here](#).

### **One Stop Service or OSS**

Directorate of Investment and Company Administration is taking a lead of the Departmental Cooperation Team in order to provide one stop service in accordance with section 14 of the Foreign Investment Law. For details, [click here](#).

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### **Customs Declaration and Required Accompanying Documents**

**In order to clear Customs exports must be accompanied by a customs declaration and required accompanying documents. For details about these requirements, click here.**

1. All outgoing consignments of goods must be cleared through Customs using an export declaration form. This is CUSDEC – 2. **Click here** for a copy of this form.
2. Required accompanying documents include:
  - a. An export license / permit
  - b. The invoice
  - c. Packing list
  - d. Sales contract
  - e. Payment advice referring Inward Telegraphic Transfer Private No./Inward Telegraphic Transfer Government No.
  - f. Sample of goods
  - g. Pass for the shipment of forestry products
  - h. Health certificate for the export of live animals
  - i. Permit for the export of wild live animals
  - j. Other certificates, permits or import recommendations, as required (for example, a country of origin or SPS or FDA certificate)
3. Generally the customs declaration and supporting documents must be submitted to Customs *prior* to the export of the goods.

### **Export licenses**

**Although almost all goods are required an export license for exportation, the main agricultural export products and CMP products are not required export license. For details about export licenses, click here.**

1. The Government of Myanmar is currently liberalizing requirements for obtaining an export license as a precondition to exporting goods. However, most tariff items (all but 983 tariff lines) still require an export license.
2. The Department of Trade of the Ministry of Commerce, issues export licenses. Export licenses are issued based upon the recommendations by relevant ministries, agencies and business associations. No license fee is charged for exports.
3. The Ministry of Commerce requires that all export transactions use the FOB Incoterm. Other Incoterms are not currently authorized.

4. The Ministry of Commerce reviews the price levels of export transactions and may deny an export license if the price level of a particular export transaction is deemed contrary to the national economic interest.
5. Applications for export licenses have been automated. See the *tradenet* website, *eservice.myanmartradenet.com*. However, manual applications are also accepted. Applications are accepted at the Department's Headquarters at Nay Pyi Taw, in Yangon, Mandalay and some border offices. Myanmar Customs currently operates a Border Trade Online System (BTOS) for processing export licenses at border posts.
6. License requirements are reviewed on an annual basis and there may also be occasional additional changes during each year

Required certificates, permits or export recommendations, etc.

1. Depending upon the nature of the export, certificates, permits or export recommendations may be required from regulatory authorities or association members of the UMFCCI, consistent with the importing country's requirements.
2. A country of origin (COO) certificate may be required from the Ministry of Commerce in order for exports to qualify for ASEAN or other preferential duty treatment. In addition to ASEAN members, free trade agreements exist with ASEAN-Korea, ASEAN-Japan, ASEAN-Indian, ASEAN-China, and ASEAN-Australia-New Zealand. Exports may also be eligible for Generalized System of Preference (GSP) duty free treatment. The application process for a COO certificate is paper-based. There are 10 certificates for ASEAN free trade and various GSP programs. For copies of the certificates and an illustration of the application process, *click here*.
3. Non-preferential COOs are also issued by the relevant ministry with jurisdiction over the export. These are based upon recommendations from UMFCCI and its constituent members.

**Validity of export license and amendments**

License validity is three months after issuance. After three months, the exporter can apply for an extension of the license for two months. On further application, a second extension for one month is also provided for. After six months the applicant must apply for a new license. There is no license fee for extensions.

Amendments to export licenses are also available before shipment.

**Prohibited exports**

**Myanmar prohibits the exportation of certain goods. For information about prohibited exports, *click here*.**

1. WTO's GATT, Article XX and XXI, permit WTO members to prohibit the exportation 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 Department of Trade of the Ministry of Commerce has exercised its rights under these GATT provisions to prohibit the following exportations:
  - a. Counterfeit currency and coins
  - b. Pornographic material
  - c. All kinds of narcotic drugs and psychotropic substances
  - d. General commodities prohibited:
    - i. Antique objects
    - ii. Arms and ammunition
  - e. Fisheries products prohibited
    - i. Tiny shrimp
  - f. Animal and animal produce products prohibited
    - i. Elephant tusks
    - ii. Buffalo, cattle, elephants, horses, wild animals
  - g. Minerals and mineral products prohibited
    - i. Gold
    - ii. Diamonds
    - iii. Petroleum
  - h. Forestry products prohibited
    - i. Logs (not processed wood)
  - i. Agricultural products prohibited
    - i. Sesame oil
    - ii. Mustard and mustard oils
    - iii. Sunflowers and sun flower oil
    - iv. Residues from producing vegetable oil

### **Export inspections**

***For information about export inspections, [click here](#).***

1. Export inspections are conducted by Customs. These are designed to avoid disputes between exporters and importers concerning the quality and quantity of the goods.
2. Private inspection companies also may conduct pre-shipment inspections (PSIs) of certain commodities, such as rice.

### **Export taxes**

***Export taxes are assessed by Customs on certain exports. For information about these taxes [click here](#).***

1. Commercial taxes are currently assessed on exports of some commodities. These include raw gems (15%), finished gems (5%), electricity (8%), gas (8%); crude oil (5%); teak and conversions (50%); and timber and conversions (50%).  
A specific goods tax (SGT) on manufactured goods was recently approved and will be effective 1 April 2016. Commercial taxes may be phased out and replaced by the SGT.

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2. Tax exemptions on exports are granted to domestic and foreign investors. Manufacturing businesses receive 50% income tax exemption on profits accrued from exports, and commercial tax exemption if the goods are exported with a few exceptions.

၃<sup>ii</sup> Customs collects a 2% advance income tax on exports for the Internal Revenue Department.

### **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, sometimes called free zones or export processing 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.

### **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 Myanmar Garment Manufacturers Association under UMFCCI. 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.