



THE FOURTH MYANMAR EITI SUPPLEMENTARY REPORT

For the Period 1 April 2016 to 31 March 2017
(FY 2016 - 2017)

Oil and Gas, Gems and Jade, Other Minerals and Pearl

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Important Notice

Our Services were performed and this report was developed in accordance with our engagement contract dated 27 September 2018 between Ministry of Planning and Finance, Republic of the Union of Myanmar and PricewaterhouseCoopers Myanmar Co., Ltd. and are subject to the terms and conditions included therein. This report has been prepared for the purpose of the fourth implementation of the Myanmar Extractive Industries Transparency Initiative (MEITI) project and eventually in the preparation of the fourth MEITI Report for the period from 1 April 2016 to 31 March 2017.

This report is intended solely for the purpose set out in the above paragraph and it should not be relied upon by any other party ("Third Party"). While the report may be distributed more widely, any reliance placed on it by a Third Party is that party's sole responsibility.

The work performed did not constitute an examination or a review in accordance with generally accepted auditing standards or attestation standards. Accordingly, we provide no audit opinion, attestation or other form of assurance with respect to our work or the information upon which our work was based. We did not audit or otherwise verify the information supplied to us in connection with this engagement, from whatever source, except as may be specified in this report or in our engagement contract.

Our Services are not designed to and are not likely to reveal fraud or misrepresentation by the government bodies and agencies and companies. Accordingly, we cannot accept responsibility for detecting fraud or misrepresentation by the government bodies and agencies, companies or any other person.

Our work was limited to the specific procedures and analysis described in the report and was based only on the information made available up to the date of this report. Accordingly, changes in circumstances after this date could affect the findings outlined in this report and we reserve the right to amend findings, conclusions or recommendations, if necessary, based on factual information that comes to our attention after that date

1. Executive Summary

This report summarised information about the reconciliation of tax and non-tax revenue from the extractive industries in Myanmar as part of the implementation of the Extractive Industries Transparency Initiative (EITI). In addition, this report includes the reconciliation of revenues collected by State-Owned Enterprises (SOEs) and other government agencies ("Government Agencies") from the extractive companies and cash flows contributed by SOEs to the Union Budget.

As agreed by MSG, the extractive industry covered by the fourth EITI reconciliation includes four sectors; Upstream Oil and Gas and Oil and Gas Transportation, Gems and Jade, Other Minerals and Pearl. The prior years' reports did not include a reconciliation for the pearl sector. This year also provides data on sales revenue generated from oil and gas downstream to assist MSG to assess the extent of reconciliation for downstream sector to be included in the scope for the next EITI report.

1.1 Revenue Generation and the Importance of the Sectors to Myanmar

The statistics shown in the report below indicate that the extractive industries remain important to the Myanmar economy but overall production had declined in terms of volume and value. For the year under review, no new oil and gas licenses were awarded. The country's demand for energy is increasing and it is important that new oil and gas discoveries are made. Continuous transparency improvements in line with the EITI standards should play a role in attracting new investment in all sectors.

As regards to Gems, Jade and Other Mineral, there are no new permits granted in FY 2016-2017. Development of a Myanmar Mining and Gemstone Cadastre commenced in 2016, with a Diagnostic Study and the recruitment of a consultant for the Conceptual Design Phase, which was completed in mid-2018.

The extractive sectors continue to be an important industry for the country. However, based on the data made available by the Central Statistical Organisation (CSO) on Gross Domestic Product (GDP) at current price, the energy and mining sectors contributed only 4.4% of GDP. This is down from 6.2% in the previous year. This drop also reflects the lower upstream oil and gas revenues as well as an increase in GDP attributed to other sectors of the economy. The contribution to GDP of the mining sector remained constant at 1.1%.

The receipts reported by the government agencies for FY 2016-2017 covering from 01 April 2016 to 31 March 2017 after reconciliation are summarised as follows:

Direct payments made by extractive companies

Total revenue collected from the extractive sectors amounted to MMK 2,302,776 million¹ for FY 2016-2017. The revenue stream from the extractive sector is made up of 79% of revenue from the oil and gas sector (including upstream oil and gas and oil and gas transportation) while gems and jade, minerals and pearl represent 16%, 4% and 1% respectively. 84% of total revenue is collected as non-tax revenue and 15% as tax revenue and personal income tax. Social payments accounted for 1% of the total revenue.

Details of these revenue streams is set out in the table below.

Table 1 Myanmar government extractive industry revenue by sector for FY 2016-2017 ^{1,2}

Sector	Tax Revenue	Non-Tax revenue	Non-Tax Revenue (Sale of State Share)	Personal Income Tax	Social Security Board Contributions	Contribution to State / Region social development fund	Social Payments	Total Revenue	%
Oil and Gas	9,033	1,486,917 ³	2,957	17,007	751	-	9,088	1,525,753	66%
Oil and Gas Transportation	152,075	129,573	-	7,399	63	-	3,308	292,418	13%
Gems and Jade	131,493	231,266	-	3	50	65	2,184	365,061	16%
Minerals	39,741	27,181	31,087	582	446	-	2,403	101,440	4%
Pearl	1,072	840	15,905	124	53	55	55	18,104	1%
Total	333,414	1,875,777	49,949	25,115	1,363	120	17,038	2,302,776	100%

Amounts in MMK million

¹MEITI data for FY 2016-2017 reported by the government agencies after adjustments

²This includes payments made by companies to the government agencies directly and does not include transfer from SOEs to the other government agencies

³ MOGE received the amounts net of Domestic Market Obligation purchases of MMK 547,321 million.

Figure 1 Revenue (Tax, Non-tax, and Social Contribution) reported in the First to Fourth MEITI reports for FY2013-14, FY2014-15, FY2015-16 and FY2016-17

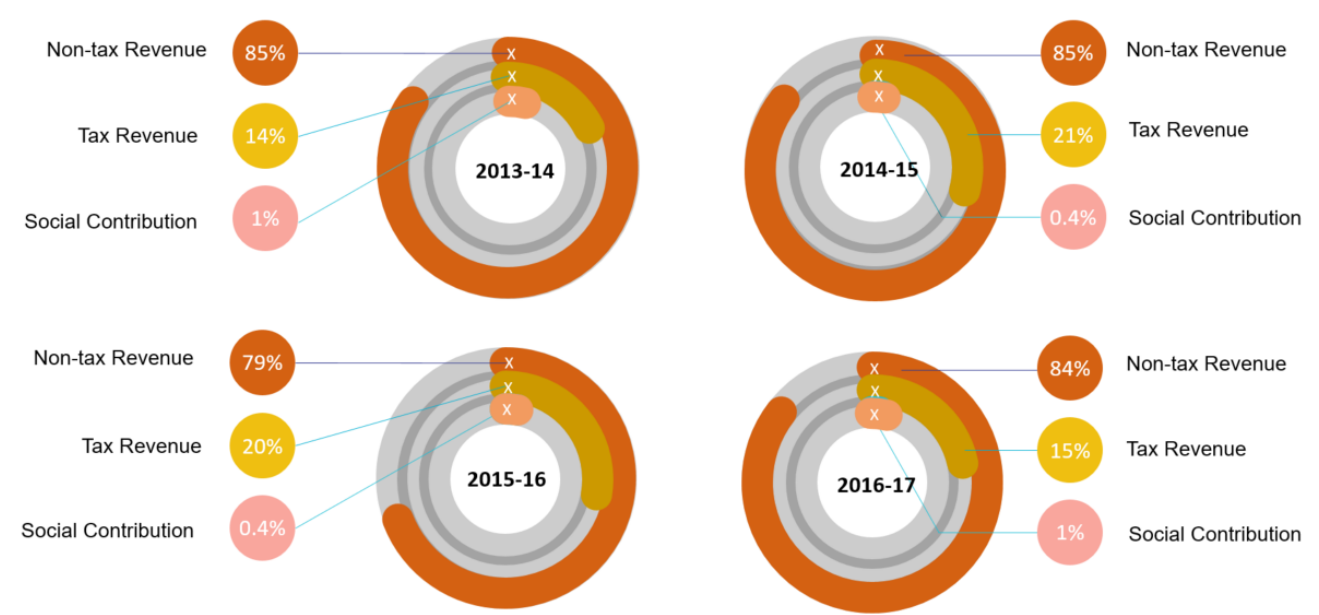
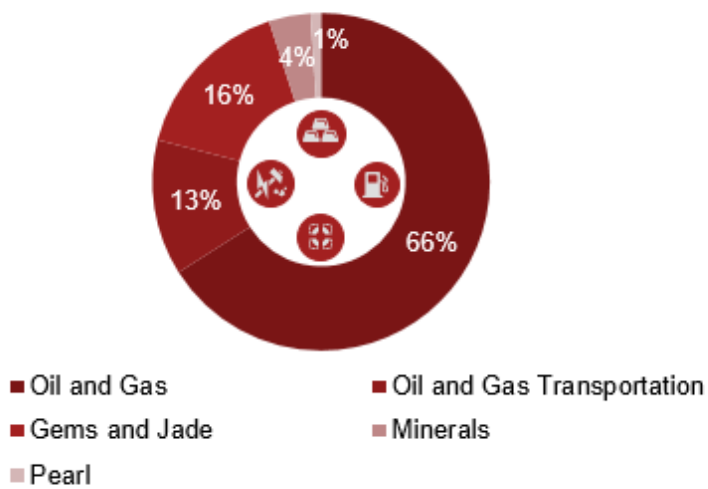


Figure 2 Relative size of revenue by sector for FY 2016-2017



The amount of revenue collected from the oil and gas sector (upstream and transportation) under the Myanma Oil and Gas Enterprise (MOGE) contributed the largest revenue to the extractive sector, which accounted for almost 79% of extractive revenue. We were informed by MOGE that in addition to the above revenue reported, the value of MOGE's own production of onshore crude oil was estimated to be MMK 100,435million. This amount has not been included in the extractive revenue of MOGE reported in Table 1.

Details of revenues by Government Agency and by source of revenue is set out in the table below:⁴

Table 2 Collection of extractive revenue by government agency and by source of revenue in FY 2016-2017

	SOE	DOM	DGSE	Forest Departme nt	IRD	Custom	Sub-Total	Personal Income Tax	SSB contributi ons	State / region social develop- ment fund	Social Payment	Total
Oil & Gas Sector	1,619,447	-	-	-	161,066	42	1,780,555	24,407	814	-	12,396	1,818,172
Sale of State's share	2,957	-	-	-	-	-	2,957	-	-	-	-	2,957
Oil and Gas companies	1,486,917	-	-	-	8,991	42	1,495,950	17,007	751	-	9,088	1,522,796
Oil and Gas Transportation companies	129,573	-	-	-	152,075	-	281,648	7,399	63	-	3,308	292,418
Gems & Jade Sector	209,397	21,869	-	-	128,727	2,766	362,759	2	50	65	2,184	365,060
Sale of State's share	-	-	-	-	-	-	-	-	-	-	-	-
Gems and Jade companies	209,397	21,869	-	-	128,727	2,766	362,759	2	50	65	2,184	365,060
Minerals Sector	45,259	11,745	0.03	1,264	37,265	2,476	98,009	582	446	-	2,403	101,440
Sale of State's share ME2	25,089	-	-	-	-	-	25,089	-	-	-	-	25,089
Sale of State's share DOM	-	5,998	-	-	-	-	5,998	-	-	-	-	5,998
Companies under ME1	17,754											
		5,747	0.03	1,264	37,265	2,476	66,922	582	446	-	2,403	70,353
Companies under ME 2	2,416											
Pearl Sector	15,926	819	-	-	63	1,009	17,817	124	53	55	55	18,104
Sale of State's share	15,905	-	-	-	-	-	15,905	-	-	-	-	15,905
Pearl companies	21	819	-	-	63	1,009	1,912	124	53	55	55	2,199
Total	1,890,029	34,433	0.03	1,264	327,121	6,293	2,259,140	25,115	1,363	120	17,038	2,302,776

Amounts in MMK million

The receipts collected from the extractive companies to the respective SOEs include non-tax revenues (signature bonuses, royalties on sales, royalties on production, state participation, production split, sale split, supervision fees, etc.).

The payments made by the extractive companies to the IRD include personal income tax, corporate income tax, commercial tax, specific goods tax, withholding tax deducted from non-resident foreigners, capital gains tax and stamp duties and the payments to the Myanmar Customs Department include the Customs duties.

The payments to the DOM include royalties, dead rent fees, license fees and application fees and the payments to the DGSE include application fees. The payments to the Forest Department include the land rental fees and environmental / plantation fees.

Law enforcement and education on SSC contribution were found to be weak in the extractive industry, particularly in minerals and gems and jade. In FY 2016-2017, SSC contribution reported by the companies in the scope was MMK 1,363 million.

Social Payment consists of social development payment to regional government and voluntary corporate social responsibility (CSR) expenses. The total social payment were MMK 17,158 million, including contribution to the state/ region development fund. Social payments made by the companies cannot be reconciled with the data provided by the government agencies as the government agencies do not have reporting framework defined. Social security contribution paid to the Social Security Board are

⁴MEITI data for FY 2016-2017 reported by the government agencies and companies after adjustments

presented as unilateral, taking reported data from the companies. State/ region social development fund are also based on unilateral data reported by the companies.

The revenues received from the extractive industry disaggregated by revenue streams and by company are presented in Appendices 16 and 17 respectively. The reconciliation sheets by company are presented in Appendices 3 to 5.

Transfers made by SOEs

The total revenues collected from the oil and gas, minerals, gems and jade and pearl SOEs for FY 2016-2017 amounted to MMK 2,117,850 million, of which 40% (MMK 848,124 million) was transferred to the MOPF (the IRD, the MCD and the Treasury Department) and 21% (MMK 448,943 million) to the OGD. During the same financial year, the five extractive SOEs were approved to retain 39% (MMK 818,951 million) in the UFA (Other Accounts).

The MOGE reported that it transferred MMK750,437 million (39%) to the MOPF, MMK 448,943 million (23%) to the OGD and retained MMK 747,439 million (38%) in the (UFA) Other Account.

Details of transfers from SOEs to the other government agencies in FY 2016-2017 are set out in the table below:

Table 3 Transfers of Revenue Collected by SOEs⁵

SOE	Amount Received by SOE	Transfer from SOE to Government Agencies for FY2016-17					Transfers to Union Fund Account (Other Account)	Total
		IRD and MCD	OGDP	Central Committee ⁶	DOM	State Contribution		
MOGE	1,619,447	635,355	448,943	-	-	115,082	747,439	1,946,819
MGE	209,397	39,059	-	485	-	31,136	50,156	120,836
ME 1	17,754	1,773	-	-	-	1,419	8,268	11,460
ME 2	27,505	9,185	-	-	1,347	6,066	7,522	24,120
MPE	15,926	5,129	-	-	-	3,920	5,566	14,615
Total	1,890,029	690,501	448,943	485	1,347	157,623	818,951	2,117,850

Amount in MMK million

MOGE transferred a total amount of MMK 1,946,819 million to the government agencies and Union Fund Account (OA) in FY2016-2017. This is higher than MOGE's revenue of MMK 1,619,447 million received during the year. This is partly due to timing of transfer of funds from MFTB's overseas bank account to MOGE's MEB bank account. In FY2016-2017, MOGE received funds relating to its prior year's revenue that was only remitted to its MEB bank account in FY2016-2017, and the funds were then transferred to OGD. Further details are set out in Section 3.5.5.

For the other SOEs, the revenue received by each SOE was higher than the respective transfers made to other government agencies due to the operating expenses of the SOEs incurred in FY 2016-2017.

Details of the reconciliation of the transfers made by SOEs to the other government agencies are presented in the section 3.4.7 and in Appendix 8 of the report.

⁵MEITI data for FY 2016-2017 reported by the government agencies and SOEs after adjustments

⁶ Reconciled revenue and unilateral reporting by MGE for Central Committee collections

Government receipts from extractive industry

The extractive revenues net receipt collected by the Union Government for FY 2016-2017 amounts to MMK 2,480,964 million. MMK 818,951 million or 33% of revenues received in FY 2016-2017 were retained by SOEs in their UFA (Other Accounts) in order to pay for the SOEs' expenditure and to be independently operated.

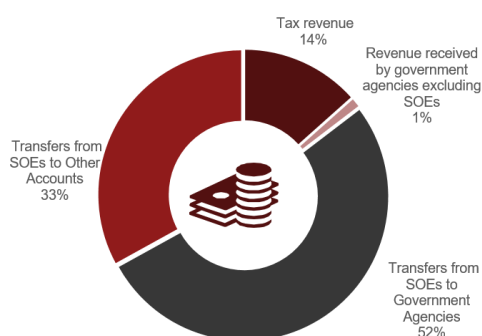
Further details of the government receipts are set out in the table below.

Table 4 Total net government receipts from the extractive industry

	Oil and Gas	Gems and Jade	Other Minerals	Pearl	Total	%
Transfers from SOEs to Other Accounts	747,439	50,156	15,790	5,566	818,951	33%
Tax revenue	161,108	131,493	39,742	1,072	333,415	13%
Transfers from SOEs to Government Agencies	1,199,380	70,680	19,790	9,049	1,298,899	52%
Revenue received by government agencies excluding SOEs	-	21,869	7,011	819	29,699	1%
Total	2,107,927	274,198	82,333	16,506	2,480,964	100%

Amounts in MMK million

Figure 3 Composition of government receipts



1.2 Significance to Myanmar Economy

According to the CSO Yearbook 2017, the GDP of Myanmar for FY 2016-2017 was reported as MMK 79,721 billion and extractive industry was reported as MMK 3,505 billion.⁷ According to the CSO Yearbook 2017, total export from the extractive industry in the Financial Year 2016-2017 was USD 2,433 million and the total export of the Union was USD 11,951 million and extractive industry represented 20.4% of the total export of the Union.⁸

The extractive sectors' contribution to total revenue of the Union amounted to MMK 2,302,776 million⁹ (14%) in FY 2016-2017. Total revenue of the Union amounted to MMK 16,990 billion¹⁰ which is the total of tax revenue and non-tax revenue.

Total employment for the extractive sector reported by the government agencies is 90,909 employees¹¹, representing 0.3% of the total employment of the Union (27.19 million) in FY 2016-2017¹².

⁷ CSO Yearbook 2017

⁸ CSO Yearbook 2017

⁹ MEITI data for FY2016-2017 reported by the government agencies and SOEs after adjustments

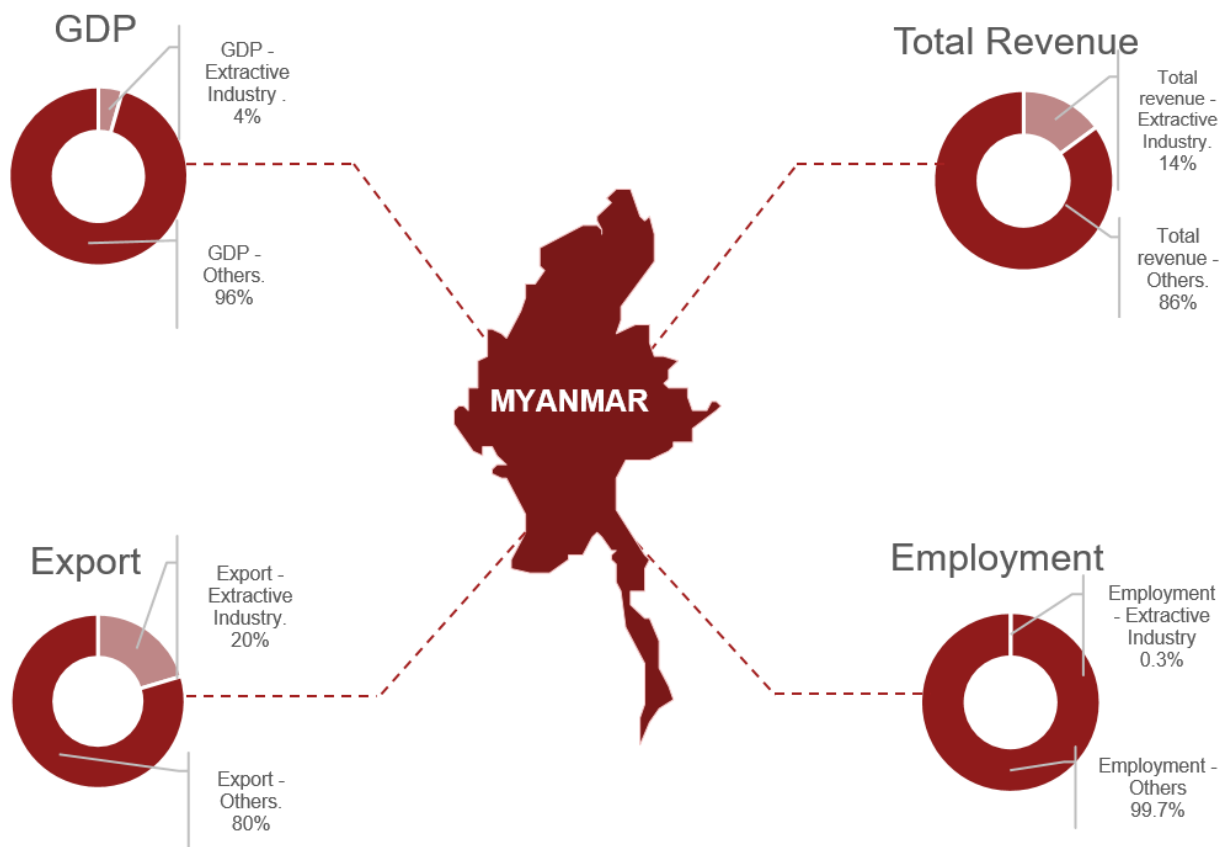
¹⁰ Citizen Budget for FY2016-2017

¹¹ Reported by SOEs and government agencies

¹² CSO Yearbook 2017

Contribution of the extractive industry to the economy of Myanmar during FY 2016-2017 is displayed in the figure below.

Figure 4 Macroeconomic indicators for the extractive industry for FY 2016-2017



1.3 Production and Exports

Oil and gas

According to data reported by the MOGE, 1,793,798 barrels of condensate and 652,807 mmscf of natural gas were produced in offshore blocks and 1,384,409 barrels of crude oil and 712 mmscf of natural gas were produced in onshore blocks in FY 2016-2017 by the Oil and Gas Companies. In addition, 1,692,824 barrels of crude oil and 17,201 mmscf of natural gas in FY2016-2017 were produced from MOGE's own production.

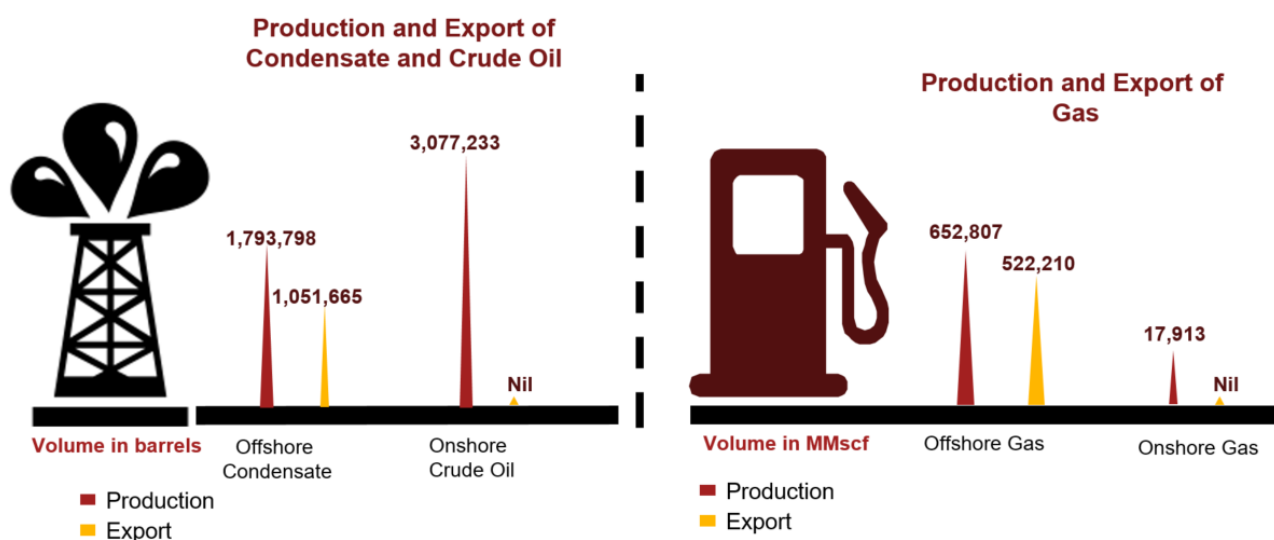
The MOGE reported that total export value of condensate and natural gas produced by the Oil and Gas Companies were USD 52 million and USD 2,590 million respectively in FY 2016-2017. During FY 2016-2017, the average price for condensate export was USD 49.81 per barrel and gas was USD 4,959.99 per mmscf. There were no exports from MOGE as all their own production were supplied to the domestic market.

Table 5 Production and export of oil and gas (in volume and in value in USD)

			Production			Exports		
			Volume	Unit	Value (in USD)	Volume	Unit	Value (in USD)
Oil and Gas Companies ¹³	Offshore Blocks	Condensate	1,793,798	Barrels	251,589	1,051,665	Barrels	52,386,923
		Gas	652,807	MMscf	1,908,012,471	522,210	MMscf	2,590,154,503
	Onshore Blocks	Crude Oil	1,384,409	Barrels	56,870,848	-	Barrels	-
		Gas	712	MMscf	155,712	-	MMscf	-
MOGE's Own Production ¹⁴	Onshore Blocks	Crude Oil	1,692,824	Barrels	79,900,758*	-	-	-
		Gas	17,201	MMscf	Not Available	-	-	-

* We were informed by MOGE that the value of MOGE's own production of onshore crude oil was estimated to be MMK 100,435 million (USD 79,900,758).

Figure 5 Production and export of oil and gas (in volume)



¹³ MEITI data for FY2016-2017 reported by MOGE after adjustments

¹⁴ Production and Export data provided by MOGE

Details of oil and gas production in the Financial Year 2014-2015, 2015-2016 and 2016-2017 based on reconciliation results are set out in the table below.

Table 6 Oil and Gas Production for the last 3 years for Offshore and Onshore blocks awarded

			Production	Production	Change	Production	Change
			2014-15	2015-16	%	2016-17	%
Offshore	Condensate	Barrel	2,869,870	2,003,419	-30.19%	1,793,798	-10.46%
	Gas	MMscf	651,584	676,954	3.89%	652,807	-3.57%
Onshore	Crude Oil	Barrel	1,744,317	1,506,345	-13.64%	1,384,409	-8.09%
	Gas	MMscf	645	713	10.54%	712	-0.08%

As seen above, oil and gas production in the Financial Year 2016-2017 declined compared to the Financial Year 2015-2016. Offshore condensate production decreased by 10%, offshore gas by 4%, and onshore crude oil by 8% the Financial Year 2016-2017, compared to the Financial Year 2015-2016.

Details of state's share of oil and gas production in the Financial Year 2016-2017 are set out in the table below. This table shows the volume of oil and gas the MOGE received from onshore and offshore production. Note that the MOGE took all the production of the onshore blocks and paid for the contractor's share of oil and gas.

Table 7 State's share of oil and gas production in FY 2016-2017¹⁵

		Offshore Blocks		Onshore Blocks	
		Volumes (In Barrels)	%	Volume (In Barrels)	%
Condensate/Crude Oil - Total	Production	1,793,798	100%	1,384,409	100%
Condensate/Crude Oil - State's share of production	Royalties	-	-	49,835	4%
	Baseline	-	-	532,145	38%
	Cost Recovery	-	-	141,566	10%
	Production Split	-	-	137,046	10%
		Volumes (In MMscf)	%	Volume (in MMscf)	%
Gas - Total	Production	652,807	100%	712	100%
Gas - State's share of production	Baseline	-	-	617	87%
	Cost Recovery	-	-	38	5%

The only one in-kind revenue received by MOGE in FY2016-2017 is royalties on incremental petroleum recovery contract from GoldPetrol where the sales amounted to MMK 2,957 million. The rest of the revenue of MOGE are received in cash in the bank.

The MOGE took all the onshore production and paid for the contractors' share of production. In addition, the MOGE purchased oil and gas from offshore blocks under domestic market obligations. All in-kind revenue (royalties from onshore blocks), production split from onshore blocks, production from own blocks and purchases from the contractors were then sold to the domestic market, including MPE. Such sales revenue is not separable to facilitate any reporting of sales of in-kind royalties, sales of incremental production share, sales of baseline production or sales of MOGE's own purchases and its own production.

The MOGE Sales of Oil and Gas Production amounting to MMK 79,632 million for onshore blocks and MMK 854,913 million for offshore blocks by buying companies is set out in Appendix 24 and the MOGE's Purchase of Oil and Gas Production amounting to USD 23,927,220 for onshore blocks and USD 435,418,867 for offshore blocks by selling companies is set out in Appendix 25.

¹⁵ MEITI data for FY 2016-2017 reported by MOGE after adjustments

Gems and Jade

In the previous MEITI reports, production of gems was categorised for ruby and sapphire and assorted coloured gemstones and jade was categorised as jade and quartzite and amber. In this report, gems were categorised into rough ruby, rough sapphire, rough assorted, rough peridot and topaz/ quartz as per EITI standards.

Total value of gems produced during FY 2016-2017 was MMK 1,651 million and jade was MMK 105,563 million. Production of gems and jade declined due to suspension in the permit renewal and the new permit issuance. It was understood that suspension in permit extension and in permit awarding processes were due to the changes in rules governing gemstone production.

Details of production by commodity by type of contract in each region are set out in the table below.

Table 8 Production and export of gems and jade in FY 2016-2017¹⁶

Commodity	Region	Sharing/ Private	Commodity	Production			Export		
				Volume (Carat)	Volume (Kg)	Value (In million MMK)	Volume	Unit	Value in EURO
Gems	Mogoke	Sharing	Rough Ruby	694,050	1	210	41,294 265	Carat KG	1,106,551 1,515,516
			Rough Sapphire	123,600	6	12			
			Rough Assorted	1,800	-	-			
			Rough Peridot	-	-	-			
			Rough (Topaz/Quartz)	40,000	5	2			
		Private	Rough Ruby	773,778	104	405			
			Rough Sapphire	4,053,287	5,976	488			
			Rough Assorted	2,836,595	24,093	291			
			Rough Peridot	351,158	26	63			
			Rough (Topaz/Quartz)	75,250	1,466	7			
	Mong Hsu	Sharing	Rough Ruby	68,400	-	6			
		Private	Rough Ruby	1,126,769	-	153			
	Nant Yar Seik	Private	Rough Ruby	2,364	-	15			
Total Gems				10,147,050	31,676	1,651	41,294 265	Carat KG	1,106,551 1,515,516
Jade	Kachin State	Sharing	Jade	-	16,650,481	53,371	1,325,787	KG	416,956,934
		Private	Jade	-	18,004,512	52,192			
	Total Jade			-	34,654,993	105,563	1,325,787	KG	416,956,934

The volume and value of sales were reported by the MGE on the basis of the emporium data are set out in the table below. In FY2016-2017, total emporium sales amounted to EURO 675,912,504 and MMK 51,135,556,211.

¹⁶ MEITI data for FY 2016-2017 reported by the MGE after adjustments

Table 9 Emporium sales of gems and jade in FY 2016-2017¹⁷

	JV/Private	Volume (Carats)	Volume (KG)	Sale Value (EUR)	Sale Value (MMK)
Gems	Private Company (Mogoke)	636,773	90	478,267	2,395,642,859
	Private Company (Mong Shu)	7,286	265	2,047,135	-
	Sharing (Mogoke)	792,203	4	2,397,727	3,579,234,413
	Sharing (Mong Shu)	-	15	32,688	-
	Other	1,498	13	13,094	-
Total Gems		1,437,759	388	4,968,911	5,974,877,272
Jade	Private	-	4,060,885	290,036,195	27,180,395,741
	Joint Venture	-	3,866,094	380,907,398	17,980,283,198
Total Jade		-	7,926,979	670,943,593	45,160,678,939

According to the Central Statistical Organisation (CSO), the total Gems and Jade exports amounted to US\$157.14 million in FY 2016-2017.¹⁸

The detail of gems and jade production and Emporium sales is presented in the Appendix 6 of the report.

We understand that MGE collects 25% of Emporium Sales in cash from the Joint Venture.

According to the data provided by MGE, 8,383 kg of jade was collected in-kind by the MGE from the gems and jade companies with a value of EUR 50,000 in FY 2016-2017 and kept to be sold in future years. Therefore, no revenues from the sale of its in-kind are received by the MGE in FY 2016-2017. According to MGE reported amount, there is no sale of in-kind in FY 2016-2017 and in-kind received for FY2016-2017 were kept in the warehouse to be sold in future years.

¹⁷MEITI data for FY 2016-2017 reported by the MOGE after adjustments

¹⁸ CSO Yearbook 2017

Other Minerals

Similar to the gems and jade, this report categorised other minerals into a more detailed analysis. 85.2% of total production value in FY 2016-2017 was from the mineral types under ME 1 and 100% of export value was from the mineral types under ME 1. Although there were 26.3% and 2.7% of the total export was from ME 2 in FY 2015-2016 and FY 2014-2015 respectively. In the Financial Year 2016-2017, there was no export reported for the minerals under ME 2.

The production and export value for other minerals as reported by ME1 and ME2 amounted to MMK468,065 million and MMK 861,709 million respectively. Details of production and export by each type of minerals in volume and value are set out in the table below:

Table 10 Production and export of other minerals¹⁹

Minerals Type	Production			Export		
	Volume	Unit	Value (In million MMK)	Volume	Unit	Value (in million MMK)
Antimony Concentrate	425	MT	213	1,080	MT	2,906
Antimony Ore	2,780	MT	973	1,138	MT	838
Bentonite	600	MT	5	-	-	-
Barite	3,215	MT	39	-	-	-
Barite Powder	1,252	MT	125	-	-	-
Bauxite	8,791	MT	70	-	-	-
Cathode Copper	30,858	MT	92,573	59,825	MT	363,635
Chromium Ore	750	MT	60	-	-	-
Clay	75,934	MT	87	-	-	-
Coal	549,838	MT	8,520	-	-	-
Copper Ore	8,616	MT	431	4,455	MT	-
Dolomite	2,200	MT	10	-	-	170
Ferro Nickel	64,462	MT	275,769	37,089	MT	460,536
Fire Clay	3000	MT	42	-	-	-
Granite	305	MT	5	-	-	-
Gypsum	338,489	MT	4,062	-	-	-
Iron Ore	8,405	MT	588	2,500	MT	194
Lead Concentrate	2,850	MT	228	2,150	MT	889
Lead Ore	20,322	MT	1,219	18,200	MT	2,844
Limestone	6,002,241	MT	7,193	300	MT	32
Limestone (decorative)	3,990	MT	251	-	-	-
Manganese dioxide	1,870	MT	57	51,882	MT	1,477
Marble	9,380	MT	350	302	MT	228
Ochre	7,860	MT	51	-	-	-
Petrified Wood	-	-	-	133	MT	892
Quartz	5,700	MT	80	15,455	MT	288
Zinc Concentrate	754	MT	113	4,900	MT	2,501
Zinc Ingot	-	-	-	8,820	MT	23,002
Zinc Ore	72,640	MT	5,811	11,415	MT	1,277
Tin	405	MT	2,511	-	-	-
Tungsten	3	MT	36	-	-	-
Tin Tungsten Mixed	519	MT	3,728	-	-	-
Tin Tungsten Scheelite Mixed	297	MT	2,233	-	-	-
Gold	46,482	Toz	60,631	-	-	-
Total	7,275,232		468,065	219,644		861,709

Cathode copper and ferronickel were reported as sales in the Financial Year 2016-2017 and not reported in the past. Tin and tungsten sales declined by 16.0% and 29.7% respectively. Tin/ tungsten mixed and tin/ tungsten/ scheelite mixed sales were increased by 37.9% and 16.7% respectively and gold sales was decreased by 47.9% in the Financial Year 2016-2017. The in-kind revenues collected from the State's Share of production (Production Split) reported by the mining enterprises in FY 2016-2017 are set out in the table below:

¹⁹ MEITI data for FY 2016-2017 reported by the DOM and mining enterprises after adjustments

Table 11 In-kind revenues from the State's share of production for FY 2016-2017²⁰

Minerals	Qty	Unit	Value (in million MMK)
DOM			
Copper	1,018	MT	5,998
ME2			
Electro Refined Tin	101	MT	2,785
Pyro Refined Tin	24	MT	622
Tin Concentrates	8	MT	116
Tin Tungsten (Mixed)	287	MT	3,248
Tin Tungsten Scheelite (Mixed)	255	MT	2,835
Tungsten Concentrates	5	MT	57
Gold	18,477	Tical	15,425
Total	1,699	MT	15,662
	18,477	Tical	15,425

The revenues collected from the Sale of the other minerals SOE's Share of production amount to MMK 31,087 million which represents 27% of the total other minerals revenues in FY 2016-17.

Pearl

The volume and value of sales reported by the MPE on the basis of the emporium data are set out in the table below.²¹

Table 12 Production and Export of Pearls for FY 2016-2017

Minerals Type	Volume	Production Unit	Value (In million MMK)	Volume	Export Unit	Value (In USD)
Pearl - Companies	404,827	momme	22,929	246,228	momme	12,825,174
Pearl - MPE	107,508	momme	N/C	51,143	momme	8,080,759
Total	512,335		22,929	297,371	momme	20,905,933

²⁰ MEITI data for FY 2016-2017 reported by the DOM and mining enterprises after adjustments

²¹ MEITI data for FY 2016-2017 reported by the MPE after adjustments

1.4 Scope of the Data Reconciliation

1.4.1 Revenue Streams and Data Reported

For the fourth MEITI report, MSG agreed to expand the scope of the reconciliation procedures and included reconciliation for the Pearl sector, unilateral reporting by the government agencies for the revenue collected for the Oil and Gas downstream sector, and project level reporting for oil and gas extractive companies.

This Report covers the reconciliation procedures performed on the payments made by the extractive companies for the Fiscal Year 2016-2017 engaged in the following sectors:

- oil and gas including transportation;
- gems and jade;
- other minerals; and
- pearl

The revenue streams from the extractive sectors included for reconciliation comprised:

- all tax, non-tax and in-kind payments made by the extractive companies in scope and revenues received by the government agencies; and
- all transfers made by SOEs to the government (MoPF and other government agencies).

Unilateral reporting is obtained for the following revenue which does not form part of the reconciliation process:

- For the extractive companies not selected in scope, unilateral disclosure obtained from the government agencies;
- Unilateral disclosure from reporting companies for social payments, social security board contributions and contribution to the State/Region social development fund;
- Unilateral disclosure from reporting companies for personal income tax payments; and
- Unilateral disclosure from reporting SOEs for revenue from sale of state's share of production.

1.4.2 Reporting Entities

Extractive companies

For the oil and gas sector, MSG agreed to include all 41 oil and gas extractive companies in scope for reporting without applying any materiality threshold. For the oil and gas transportation sector, 4 transportation companies with revenue streams were selected to be in scope for reporting.

For the other minerals sector, MSG selected 31 extractive companies to be in scope based on the revenue materiality threshold of MMK 0.2 billion, MMK 0.5 billion and MMK 0.1 billion for MONREC, IRD and MCD respectively.

For the gems and jade sector, MSG selected 84 extractive companies to be in scope based on the revenue materiality threshold of MMK 0.1 billion, MMK 0.5 billion and MMK 1 billion for MONREC, IRD and MCD respectively.

For the pearl sector, MSG agreed to include all 11 extractive companies in scope for reporting without applying any materiality threshold given this is the first year of reconciliation.

The table below set out the summary of number of companies selected for the FY 2016-2017 reporting and details of the coverage by sector, together with the prior year's coverage.

Table 13 Percentage coverage of participating companies by sector based on total reconciled revenues from in-scope companies and revenue for not in scope companies reported by the government agencies

FY 2016-2017	Oil and Gas and transportation	Minerals	Gems and Jade	Pearl	Total
Number of companies selected	45	31	84	11	171
Actual coverage by sector	100%	69%	78%	100%	94%
Overall coverage					94%
FY 2015-2016	Oil and Gas and transportation	Minerals	Gems and Jade	Pearl	Total
Number of companies selected	41	28	51	-	120
Actual coverage by sector	100%	40%	32%	-	86%
Overall coverage					86%

Government Agencies

All the government agencies that receive revenue from the extractive companies are included by MSG for reporting. Accordingly, five (5) State Owned Enterprises (SOEs) and seven (7) other Government Agencies are in scope for reporting as listed in Section 3.3 of the report.

1.4.3 Data Quality and Assurance

All companies and government agencies included in the reconciliation scope are requested to submit reporting templates based on instructions approved by the MSG.

Extractive Companies

As agreed by the MSG, the Reporting Templates submitted by extractive companies selected in the reconciliation scope are required to be:

- completed thoroughly with summary of payment flows and detailed schedules detailing the payments made by the company;
- acknowledged and signed by a person authorised to represent the extractive company;
- accompanied by detailed receipts of the payments reported; and
- accompanied by a copy of the signed letter by the auditors that the audit of the financial statements for FY2016-2017 is completed or a copy of the signed audit opinion.

There were 18 selected companies that did not participate (i.e. did not submit any reporting templates) as set out in the below table.

Table 14 Non-participating entities

	Sector	Company Name
1	Oil and Gas	Asia Orient International Ltd. (CJs Oc Nobel Oil)
2	Oil and Gas	Gail JJ India Ltd
3	Oil and Gas	Geopetrol International Holding Inc.
4	Oil and Gas	JSC Nobel Oil
5	Oil and Gas	Korea Gas Corporation
6	Oil and Gas	Nippon Oil
7	Oil and Gas	North Petro-Chem Corporation Myanmar Ltd. (NPCMM)
8	Oil and Gas	Oil India Limited
9	Oil and Gas	Petroleum Exploration (PVT) Ltd.
10	Oil and Gas	Petrovietnam Exploration Production Corporation
11	Oil and Gas	Reliance Industries Ltd.
12	Oil and Gas	SINOPEC
13	Oil and Gas	Statoil Myanmar Pte. Ltd
14	Oil and Gas	Tap Energy (M-7) Co., Ltd. (Statoil)
15	Oil and Gas	TRG M15 Pte. Ltd.
16	Oil and Gas	Jubilant Oil & Gas Pte. Ltd.
17	Gems and Jade	MYAT MYITTA MON GEMS
18	Minerals	Daewoo Precious Resources Co., Ltd

For the 16 oil and gas companies that did not participate, these companies were either already terminated or not resident in Myanmar. Myat Myitta Mon Gems was no longer in the gems and jade business and Daewoo Precious Resources Co., Ltd license has been terminated. The reason why the companies did not participate is enclosed in Appendix 19 based on information provided in official letters from MOGE and MONREC.

Based on the revenue data submitted by Government Agencies in the reporting templates for the above companies, there were no payments made by these companies except for:

- Oil and Gas: Commercial tax, corporate income tax and withholding tax reported by IRD in respect of Gail JJ India Ltd, Korea Gas Corporation, Nippon Oil and SINOPEC totalling MMK 5,302 million.
- Minerals: Commercial tax and other non-tax revenue reported by government agencies for Daewoo Precious Resources Co., Ltd amounting to MMK 95 million.

Other than the above companies, all the companies that participated have provided reporting templates that were acknowledged and signed by an authorised person.

SOEs and Government Agencies

As agreed by the MSG, the Reporting Templates submitted by Government Entities included in the reconciliation scope must be:

- completed thoroughly with the summary of payment flows and detailed schedules detailing the payments and receipts made by the Government Agency;
- acknowledged and signed by a person authorised to represent the Government Agency;
- accompanied by detailed receipts of the payments reported; and
- certified by the OAG.

All government agencies in scope for reporting complied with the above reporting instructions and submitted their reporting which are signed by an authorised person and certified by the OAG.

Summary

The scope of work for the Independent Administrator are based on procedures discussed and agreed with the MSG at the scoping phase. Those procedures do not constitute an audit or review conducted in accordance with generally accepted auditing standards. The Independent Administrator has placed reliance on sign-offs by the authorised persons of reporting entities, audit that was performed by the auditor of reporting entities, or the certification provided by OAG for the government agencies.

Based on the procedures agreed with MSG for data assurance, the final assessment of data assurance after the data reconciliation is as follow:

- 146 out of 171 reporting companies submitted reporting templates signed by an authorised person, supported by confirmations that their financial statements for FY 2016-2017 have been audited. The payments made by these reporting companies represented 98.5% of the total reconciled revenues reported by the Government Agencies.
- For the Government Agencies, 100% of reporting templates were returned with signatures of authorised persons that were also certified by the OAG.

Accordingly, the participating companies and government agencies have provided the Independent Administrator with data quality assurance based on the submitted signed reporting templates and confirmation that their financial statements for FY 2016-2017 have been audited or certified by the OAG. On that basis and the extent of revenue coverage achieved from those reporting entities highlighted above, the overall comprehensiveness and reliability of financial data reconciled between participating companies and government agencies have been assessed as satisfactory.

Recommendations for SOEs and other government agencies to continue with their ongoing efforts to improve the quality of their underlying data as well as their data assurance and reconciliation process have been included under Section 4.

1.4.4 Reconciliation Results Overview

The table below summarises the reconciled revenue and revenue disclosed unilaterally by the reporting companies or government agencies in accordance with the reporting scope.

Table 15 Total payments from the extractive industries included in the reconciliation

Sector	Reconciled Revenues from in-scope companies ²²	Payments from Companies not selected in the reconciliation scope ²³	Offshore Domestic Sales to MOGE net off against Non-Tax Revenue ²²	Sale of State Share of production ²⁴	Personal Income Tax ²⁵	Social Security Board contribution ²⁶	Contribution to the State/region social development fund ²⁷	Social Payments ²⁸	Total Revenue
Oil & Gas	948,629	-	547,321	2,957	17,007	751	-	9,088	1,525,753
Oil & Gas Transportation	281,648	-	-	-	7,399	63	-	3,308	292,418
Gems & Jade	281,868	80,891	-	-	3	50	65	2,184	365,061
Minerals	46,148	20,774	-	31,087	582	446	-	2,403	101,440
Pearl	1,912	-	-	15,905	124	53	55	55	18,104
Total Revenue	1,560,205	101,665	547,321	49,949	25,115	1,363	120	17,038	2,302,776
%	68%	4%	24%	2%	1%	0%	0%	1%	100%

Amounts in MMK million

1.4.5 Revenue Reconciliation

As the Independent Administrator, we have reconciled the payments reported by the extractive companies and government agencies to the receipts reported by the SOEs and other government agencies, and clarified the differences identified. Details of the initial adjustments and disaggregated reconciliation results by company and revenue are set out in Section 3 of this report. .

The final discrepancies from the reconciliation process is set out in the below table.

Table 16 Summary of disaggregated final discrepancies

Sector	Extractive companies	Government	Positive difference		Negative difference		Gross difference (gross positive + gross negative)		Net Difference	
			Amount	%	Amount	%	Amount	%	Amount	%
Oil and Gas	967,560	948,629	27,535	2.9%	(8,604)	(0.9%)	36,139	3.8%	18,931	2.0%
Oil and Gas Transportation	300,009	281,648	18,361	6.3%	-	-	18,361	N/A	18,361	6.3%
Gems and Jade	271,480	281,868	238	0.1%	(10,626)	(3.8%)	10,865	3.9%	(10,388)	(3.7%)
Minerals	46,880	46,149	2,978	6.5%	(2,247)	(4.9%)	5,226	11.3%	731	1.6%
Pearl	1,915	1,912	3	0.2%	-	-	3	0.2%	3	0.2%
Total	1,587,844	1,560,205	49,116	3.1%	(21,478)	(1.4%)	70,594	4.5%	27,639	1.8%

Amounts in MMK million

The gross positive unreconciled difference of 3.1% is mainly due to withholding taxes payments reported by the extractive companies which were not reported by IRD due to IRD not being able to generate the breakdown of such withholding taxes receipts by each extractive company. After adjusting for these taxes amounting to MMK 45,093 million, the reconciled difference is 0.3%.

The unreconciled difference of MMK 27,639 million or 1.8% which falls **below** the final acceptable discrepancy threshold of 2% of the total revenues reported by the Government Agencies/SOEs as set by MSG.

²² EITI data reported by Government Agencies after reconciliation adjustments

²³ Unilateral reporting by Government Agencies

²⁴ Unilateral reporting by Government Agencies

²⁵ Unilateral reporting by In-scope companies

²⁶ Unilateral reporting by in-scope companies

²⁷ Unilateral reporting by in-scope companies

²⁸ Unilateral reporting by in-scope companies

Table 17 Analysis of final differences by sector

	Reasons for differences	Oil and Gas	Oil and Gas Transportation	Gems and Jade	Minerals	Pearl	Total difference
A	Cut-off differences	(3,244)	-	(14)	-	-	(3,258)
B	Payments not reported by and absence of supporting documents from the participating entity	(58)	-	(10,284)	(2,152)	-	(12,494)
C	Receipts not reported by and absence of supporting documents from the government agencies	27,512	17,963	61	1,862	-	47,398
D	Non-participation by the companies	(5,302)	-	-	(95)	-	(5,397)
E	Exchange rate differences	-	398	-	-	-	398
F	Unreconciled due to other reasons	-	-	(124)	1,115	-	991
G	Immaterial difference individually less than MMK 5 Million	23	-	(27)	1	3	0
	Total Differences	18,931	18,361	(10,388)	731	3	27,639

Amounts in MMK million

Oil and Gas

The unreconciled differences amounted to MMK 18,931 million which represents 2.0% of the total sector which is the **same as** the final acceptable discrepancy threshold of 2% of the sector revenue reported by the Government Agencies/SOEs as set by MSG.

The analysis of the unreconciled difference is set out below. Details of the differences by company and by revenue is presented in Section 3 of the report.

A. Cut-off differences

The differences are related to the Production Split (Profit Sharing), Royalties, and State Participation payments made by extractive company TOTAL E&P to MOGE in USD and Euro where the amounts are paid to a foreign currency bank account before being transferred to MOGE's MMK bank account at Myanmar Economic Bank (MEB). Due to the time taken for the funds to be received in the MOGE MEB bank account, the payments made by extractive companies before 31 March was only received by MOGE after 1 April.

The net difference of MMK(3,244.0) million is due to payments made by the extractive companies in FY2015-16 but only reported by MOGE in FY2016-2017, offset by payments made by the extractive companies in March 2017 which were not reported by MOGE for FY2016-2017.

B. Payments not reported by and absence of supporting documents from the participating entity

The differences are related to Commercial Tax on imported capital equipment, goods and services and custom duty not reported in the reporting templates by the extractive companies but are reported by MCD.

C. Receipts not reported by and absence of supporting documents from the government agencies

The differences are mainly related to withholding tax and stamp duty payments reported by the extractive companies but not confirmed by IRD.

The extractive companies made withholding tax payments to IRD as tax collection agent on behalf of their suppliers and sub-contractors. IRD did not have ready records of the identity of the companies that paid the withholding taxes and therefore cannot confirm that these amounts were paid by the respective extractive companies. The payment receipts only mention the name of the supplier/vendor and did not include the name of the company that withheld and paid the tax to IRD. In respect of stamp duty payments, IRD did not have all available data of companies that paid stamp duty as the payments were made at the Township tax offices and the names of companies that purchased the stamps may not be appropriately recorded by various tax offices.

D. Non-participation by the companies

The differences are related to revenue receipts reported by the Government Agencies but the extractive companies did not submit any reporting templates.

Oil and Gas transportation

The unreconciled differences amounted to MMK 18,361 million which represents 6.3% of the total sector which is **above** the final acceptable discrepancy threshold of 2% of the sector revenue reported by the Government Agencies/SOEs as set by MSG.

The analysis of the unreconciled difference is set out below. Details of the differences by company and by revenue is presented in Section 3 of the report.

C. Receipts not reported by and absence of supporting documents from the government agencies

The differences are mainly related to withholding tax and stamp duty payments reported by the extractive companies but not confirmed by IRD.

The extractive companies made withholding tax payments to IRD as tax collection agent on behalf of their suppliers and sub-contractors. IRD did not have ready records of the identity of the companies that paid the withholding taxes and therefore cannot confirm that these amounts were paid by the respective extractive companies. The payment receipts only mention the name of the supplier/vendor and did not include the name of the company that withheld and paid the tax to IRD. In respect of stamp duty payments, IRD did not have all available data of companies that paid stamp duty as the payments were made at the Township tax offices and the names of companies that purchased the stamps may not be appropriately recorded by various tax offices.

E. Exchange rate differences

Due to payments reported by extractive companies in USD and the amount received by government agencies reported in MMK. For reconciliation purpose, the USD amounts were converted to MMK using the average annual exchange rate for USD: MMK which may not be the same as the actual rate used by the government agency.

Gems and Jade

The unreconciled differences amounted to MMK (10,388) million which represents (3.7%) of the sector which is above the final acceptable discrepancy threshold of 2% of the sector revenue reported by the Government Agencies/SOEs as set by MSG.

The analysis of the unreconciled difference is set out below. Details of the differences by company and by revenue is presented in Section 3 of the report.

A. Cut-off differences

The differences are related to payments for commercial taxes made by extractive companies on 31 March 2016 but the government agencies only received the revenue on 1 April 2016. Therefore, the amounts were not reported by the extractive companies in FY2016-2017 but reported by the government agency in FY2016-2017.

B. Payments not reported by and absence of supporting documents from the participating entity

The differences are related to Commercial Tax on imported capital equipment, goods and services, corporate income tax, custom duty, service fees and supervision fees not reported in the reporting templates by the extractive companies but reported as receipts by the government agencies of the unreconciled difference of MMK 10,284.4 million, MEC comprised MMK 9,758.2 million of the total difference.

C. Receipts not reported by and absence of supporting documents from the government agencies

The differences are related to commercial tax on imported capital equipment, Custom duty and royalties on production reported as payments in the reporting templates by the extractive companies but not confirmed by the government agencies.

F. Other reasons

The differences are mainly related to commercial tax reported by MGE as received from the extractive company's customers on behalf of the company but the company did not report in the reporting templates. These could not be reconciled as the company did not have the supporting documents to make the adjustments.

Minerals

The unreconciled differences amounted to MMK 731 million which represents 1.6% of the sector which is **below** the final acceptable discrepancy threshold of 2% of the sector revenues reported by the Government Agencies/SOEs as set by MSG.

The analysis of the unreconciled difference is set out below. Details of the differences by company and by revenue is presented in Section 3 of the report.

B. Payments not reported by and absence of supporting documents from the participating entity

The differences are related to Commercial Tax on imported capital equipment, goods and services, Custom duty, dead rent fee, land rental fee, production split and royalties not reported in the reporting templates by the extractive companies but are reported by the government agencies. Of the unreconciled difference of MMK 2,152.3 million, MEC and MEHL respectively made up MMK 233.2 million and MMK 1,025.8 million of the total difference.

C. Receipts not reported by and absence of supporting documents from the government agencies

The differences are mainly related to withholding taxes, imported capital equipment, goods and services and inventories, custom duty and production split reported by the extractive companies but not confirmed by the government agencies. Of the total unreconciled difference of MMK 1,861.5 million, the difference relating to withholding taxes was MMK 1,191.1 million.

The extractive companies made withholding tax payments to IRD as tax collection agent on behalf of their suppliers and sub-contractors. IRD did not have ready records of the identity of the companies that paid the withholding taxes and therefore cannot confirm that these amounts were paid by the respective extractive companies. The payment receipts only mention the name of the supplier/vendor and did not include the name of the company that withheld and paid the tax to IRD. In respect of stamp duty payments, IRD did not have all available data of companies that paid stamp duty as the payments were made at the Township tax offices and the names of companies that purchased the stamps may not be appropriately recorded by various tax offices.

D. Non-participation by the companies

The differences are related to revenue receipts reported by the Government Agencies but the extractive companies did not submit any reporting templates.

F. Other reasons

The differences are mainly related to commercial tax and royalties payments reported by MEC and MEHL respectively but not reported as receipts by the government agencies in FY2016-2017. These could not be reconciled as the companies were not able to provide supporting details for the payment amounts and dates.

Pearl

The unreconciled differences amounted to MMK 3 million which represents 0.2% of the sector which is **below** the final acceptable discrepancy threshold of 2% of the sector revenues reported by the Government Agencies/SOEs as set by MSG. Details of the differences by company and by revenue is presented in Section 3 of the report.

1.4.6 Payments in-kind Reconciliation

The summary of the differences arising from reconciliation between in-kind payments made by in-scope extractive companies to the in-kind revenue received by the government agencies are set out in the table below.

Table 18 Final difference for reconciliation of in-kind payments

Payment In Kind	Government Agency	Companies	Government	Final difference
Oil and Gas				
Oil in Barrels	MOGE	49,835	49,835	-
Gems and Jade				
Jade in KG	MGE	-	-	-
Minerals				
Gold in Toz	ME2	7,971	7,973	(2)
Tin, Tungsten & Scheelite Mixed in MT	ME2	67	67	-
Tin in MT	ME2	1	1	-
Bentonite in MT	ME1	-	-	-
Copper, Copper Cathode in MT	ME1, DOM	5,825	5,825	-
Coal in MT	ME1	-	-	-
Limestone in MT	ME1	-	-	-
Dolomite in MT	ME1	-	-	-
Pearl				
Pearl in momme	MPE	71,658	71,658	-

Details of the initial adjustments and disaggregated reconciliation results by company, revenue and buyer (where applicable) are set out in Section 3 of this report.

1.4.7 Production and Exports

The summary of the differences arising from reconciliation between production and exports made by the in-scope extractive companies to those reported by the Government Agencies are set out in the tables below.

Table 19 Final difference for reconciliation of production and exports

a. Oil and Gas production

Production	Company			MOGE			Final difference		
	Crude Oil (Barrels)	Condensate (Barrels)	Gas (MMscf)	Crude Oil (Barrels)	Condensate (Barrels)	Gas (MMscf)	Crude Oil (Barrels)	Condensate (Barrels)	Gas (MMscf)
Onshore Production	1,384,409	-	712	1,384,409	-	712	-	-	-
Offshore Production	-	1,793,798	649,336	-	1,793,798	652,807	-	-	3,471
Total Production	1,384,409	1,793,798	650,048	1,384,409	1,793,798	653,519	-	-	3,471

b. Oil and Gas exports

Exports	Company					MOGE					Final Difference				
	Condensate (Barrels)	Value (USD)	Gas (Mmscf)	Gas (MMbtu)	Value (USD)	Condensate (Barrels)	Value (USD)	Gas (Mmscf)	Gas (MMbtu)	Value (USD)	Condensate (Barrels)	Value (USD)	Gas (Mmscf)	Gas (MMbtu)	Value (USD)
Onshore Exports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off Exports	1,051,664	52,386,923	511,952	371,099,839	2,590,123,811	1,051,665	52,386,923	522,210	456,349,764	2,590,154,503	(1)	-	(10,258)	(7,455,600)	(30,692)
Total Exports	1,051,664	52,386,923	511,952	371,099,839	2,590,123,811	1,051,665	52,386,923	522,210	456,349,764	2,590,154,503	(1)	-	(10,258)	(7,455,600)	(30,692)

c. Oil and Gas domestic sales

Domestic sales	Domestic Sale (Including DMO per Company)							Domestic Sale (Including DMO) per MOGE							Final Difference				
	Crude Oil (Barrel)	Value (USD)	Condensate (Barrel)	Value USD	Gas (MMSCF)	Gas (MMbtu)	Value (USD)	Crude Oil (Barrel)	Value (USD)	Condensate (Barrel)	Value USD	Gas (MMSCF)	Gas (MMbtu)	Value (USD)	Crude Oil (Barrel)	Value (USD)	Condensate (Barrel)	Value (USD)	Gas (MMSCF)
Onshore domestic	11,213	520,384	-	-	-	-	-	11,213	520,384	-	-	-	-	-	-	-	-	-	-
Offshore Domestic	-	-	733,233	30,479,229	113,539	94,809,407	435,418,867 *	-	-	733,232	30,479,229	113,539	94,809,407	435,418,867 *	-	-	-	-	-
Total Domestic Sales	11,213	520,384	733,233	30,479,229	113,539	94,809,407	435,418,867	11,213	520,384	733,232	30,479,229	113,539	94,809,407	435,418,867	-	-	-	-	-

* Offshore Domestic Sales to MOGE amounted to MMK 547,321 million (translated based on 2016-17 average exchange rate) which were netted off against the Non-Tax Revenue received by MOGE.

d. Gems and Jade production

Mineral	Company		MGE		Final difference	
	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)
Jade (Kg)	20,193,179	58,927,479,150	21,509,998	65,217,086,300	(1,316,819)	(6,289,607,150)
Gems (Carats)	469,833	112,131,400	556,977	122,917,400	(87,144)	(10,786,000)

e. Gems and Jade emporium sales (EUR)

Sales (EUR)	Company		MGE		Final difference Sales Volume	Final difference Sales Value (EURO)
	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)		
Gems (Carat)	989,854	2,162,326	1,245	512,406	989,838	1,993,320
Gems (KG)	8	45,777	21	45,777	(13)	-
Jade (KG)	1,347,122	389,859,406	2,035,317	501,899,880	(688,195)	(112,040,474)
Ruby & Sapphire (Carat)	51	-	51	-	-	-
Ruby & Sapphire (KG)	3,300	218,240	3,300	271,703	-	(53,463)

f. Gems and Jade emporium sales (MMK)

Sales (MMK)	Company		MGE				Final difference Sales Volume	Final difference Sales Value (MMK)
	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)		
Gems (Carat)	-	-	-	-	636,178	4,139,078,895	(636,178)	(4,139,078,895)
Gems (KG)	-	-	-	-	202		(202)	
Jade (KG)	892,128	12,163,099,083	(29,216)	(248,294,665)	2,417,110	23,132,365,986	(1,524,982)	(10,969,266,903)

g. Other minerals production

Type of mineral	Unit	Company	MONREC (ME1, ME2)	Final difference
Antimony Ore	MT	680	640	40
Antimony Ore Concentrate	MT	225	265	(40)
Bauxite	MT	6,431	6,431	-
Bentonite	MT	600	-	600
Clay	MT	70,684	74,834	(4,150)
Coal	MT	347,188	347,406	(218)
Copper	MT	5,695	-	5,695
Copper Cathode	MT	86,113	30,858	55,255
Gold	Toz	10,245	10,036	209
Gypsum	MT	311,308	307,928	3,380
Lead	MT	5,753	2,700	3,053
Lead Ore	MT	-	3,053	(3,053)
Lime Stone	MT	3,703,459	3,768,848	(65,389)
Manganese Dioxide	MT	75	75	-
Marble Decorative	MT	422	422	-
Mixed Concentrate	MT	1,828	-	1,828
N/A	MT	-	-	-
OxPb Concentrate	MT	30	-	30
Pbs Concentrate	MT	4	-	4
Tin	MT	4	4	-
Tin, Tungsten & Mixed Ore	MT	423	223	200
Zinc	MT	864	754	110
Zinc Ore	MT	65,000	70,000	(5,000)

h. Other minerals exports

Type of mineral		Company			MONREC (ME1,ME2)			Final Difference		
	Unit	Volume	Value	Currency	Volume	Value	Currency	Volume	Value	Currency
Antimony Ore	MT	700	533,000	USD	700	533,000	USD	-	-	USD
Antimony Concentrate	MT	150	241,350	USD	240	379,050	USD	(90)	(137,700)	USD
Copper Cathode	MT	63,242	296,749,761	USD	59,825	289,287,613	USD	3,417	7,462,148	USD
Tin	MT	3	21,907,200	MMK	-	-	-	3	21,907,200	MMK
Lead Concentrate	MT	5,573	939,001	USD	555	196,958	USD	5,018	742,043	USD
	MT	800	271,496,629	MMK	1,500	467,900	USD	(700)	271,028,729	MMK
									467,900	USD
Lead Ore	MT	-	-	-	2,341	337,418	USD	(2,341)	(337,418)	USD
Manganese Dioxide	MT	12,000	276,000	USD	22,000	506,000	USD	(10,000)	(230,000)	USD
Marble (Decorative)	MT	300	25,500	USD	300	25,500	USD	-	-	USD
Marble Stone	MT	422	-	-	302	181,375	USD	120	(181,375)	USD
Tin, Tungsten & Mixed Ore	MT	158	1,410,627	USD	-	-	-	158	1,410,627	USD
Zinc Concentrate	MT	1,700	541,976,809	MMK	700	219,900	USD	1,000	541,756,909	MMK
									219,900	USD
Zinc Ingot	MT	5,499	11,040,270	USD	8,820	18,298,840	USD	(3,321)	(7,258,570)	USD

i. Pearl production

Production		Company		MPE		Final Difference	
		Number of pearls	Weight (Momme)	Number of pearls	Weight (Momme)	Number of pearls	Weight (Momme)
Pearls		622,090	404,827	599,261	333,168	-	-

j. Pearl exports

Export	Company				MPE				Final Difference			
	Volume	Unit	Value	Currency	Volume	Unit	Value	Currency	Volume	Unit	Value	Currency
Pearls	246,228	momme	12,825,174	USD	-	-	-	-	246,228	momme	12,825,174	USD

Details of the initial adjustments and disaggregated reconciliation results by company and production and export data are set out in Section 3 of this report.

1.4.8 Transfers Made by SOEs to Government

The transfers made by SOEs to MoPF and other Government Agencies such as DoM, OGPD, IRD and MCD were also reconciled. There are no major differences noted.

Table 20 Final difference for reconciliation of SOEs' transfers to government

SOE	Transfer to	SOE	Government	Final difference
MOGE	Transfer to MOPF	750,440	750,437	3
MOGE	Transfer to OGPD	448,943	448,943	-
MOGE	Transfer to UFA (Other Account)	747,439	747,439	-
MOGE	Sub-total	1,946,822	1,946,819	3
MGE	Transfer to MOPF	70,195	70,195	-
MGE	Transfer to DOM	-	-	-
MGE	Transfer to UFA (Other Account)	50,156	50,156	-
MGE	Sub-total	120,351*	120,351*	-
ME1	Transfer to MOPF	3,192	3,192	-
ME1	Transfer to UFA (Other Account)	8,268	8,268	-
ME1	Sub-total	11,460	11,460	-
ME2	Transfer to MOPF	15,251	15,251	-
ME2	Transfer to DOM	1,347	1,347	-
ME2	Transfer to UFA (Other Account)	7,522	7,522	-
ME2	Sub-total	24,120	24,120	-
MPE	Transfer to MOPF	9,049	9,049	-
MPE	Transfer to UFA (Other Account)	5,566	5,566	-
MPE	Sub-total	14,615	14,615	-
	Total	2,117,368	2,117,365	3

*The amounts excluded MGE transfer to Central Committee of MMK 485 Million.

Details of the initial adjustments and disaggregated reconciliation results by SOEs and revenue transfer are set out in Section 3 of this report.

1.5 Findings and Recommendations

The summary of the recommendations for the fourth MEITI report highlighting areas that require attention for enhancing data quality and improving Myanmar EITI implementation are summarised in the table below. Details of the recommendations and progress of prior years' recommendations are discussed in Section 4 of this report.

Recommendation	
1	<p>MSG should consider to work with government agencies to strengthen the EITI Implementation and also consider working with the government to issue an administrative order or notification to support the implementation.</p> <p>On 28 February 2019, the global EITI Board agreed in principle to proposed changes to the EITI Requirements. To further strengthen EITI implementation, the MSG is encouraged to work with the extractive government agencies on the following actions:</p> <ul style="list-style-type: none"> • For the short-term purpose and for the next EITI reporting, to start early discussion on availability of government data for project-level reporting for sectors other than oil and gas for the next MEITI report and engage with extractive companies to support in providing the information • Revisit the confidentiality restrictions for extractive contracts, and implement changes to PSC terms, or regulations that require disclosure of information for EITI purposes an exception to any confidentiality provisions in advance of the implementation date of 1 January 2021. • It is encouraged that even prior to 1 January 2021, the list of operators and contractors who were awarded contracts and their current status of operations such as exploration/ study/ development/ production should be uploaded on the websites of relevant government agencies for full transparency. • Extractive government agencies should consider systematic public disclosure of details of Myanmar's extractive activities on their websites to demonstrate transparency and accountability of the government sector. Such disclosures could also include data on revenue collected, production and exports, sources of data, manner of determination of values and volumes, etc., and be regularly updated.
2	Government agencies should make available up-to-date model contracts on their websites while working towards the ultimate goal of disclosing all extractive contracts to improve compliance. Taxpayer Identification Number (TIN) for companies and cooperatives and the TIN or NRC for individuals should be included in the disclosure of permit-holder details as a unique identification number.
3	There should be a summary of legal frameworks highlighting the relevant laws, rules, orders and notifications on SOEs and government agencies' websites.
4	The license allocation process should be transparent, formalise into regulations, and subject to independent review/audit.
5	The government agencies and SOEs should maintain centralised public registers of contracts/permits with coordinates on their websites.
6	<p>MEHL and MEC are not treated as SOEs for the EITI reporting to date, but more information should be obtained such as source of financing, and if there is any financial control/ returns to the government, and to clarify if these entities are government-owned or controlled. In addition, the award of permits and licences to these companies should be made transparent.</p> <p>If MEHL is determined to be an SOE, it should be should be fully engaged in the EITI reporting process including full disclosures of information required for state participation.</p>
7	<p>MEHL and MEC are not treated as SOEs for the EITI reporting to date, but more information should be obtained such as source of financing, and if there is any financial control/ returns to the government, and to clarify if these entities are government-owned or controlled. In addition, the award of permits and licences to these companies should be made transparent.</p> <p>If MEC is determined to be an SOE, it should be should be fully engaged in the EITI reporting process including full disclosures of information required for state participation.</p>
8	SOEs should work towards demonstrating that they have no regulatory role to avoid any issues concerning conflict of interest. Audited reports of SOEs should be made publicly available.

Recommendation	
9	<p>There should be independent review mechanisms in place to:</p> <p>Verify Beneficial Ownership (BO) of companies, including determination of whether BO rests with offshore entities or individuals and a determination of whether such ownership is legal.</p> <p>Verify production data by output, value and quality when possible and reconcile to sales and export data.</p>
10	<p>Export data should be maintained and made readily available. The MONREC should also ensure that the export outside of emporium sales can be identified through its reporting system. In addition, the MONREC should also require the companies to report on the volume of inventory and perform periodic physical verification of the inventory.</p>
11	<p>The first, second and third MEITI reports included recommendations on improving the quality of data from government including reform, strengthening and computerising government accounting systems, and establishing a country-wide single database for companies with correspondingly unique Taxpayer Identification Number (TIN).</p> <p>SOEs and government agencies should continue to address the prior years' recommendations for accounting and other system reforms, including implementing greater automation in recording of data and reduced reliance on manual records.</p>
12	<p>All payments received from extractive companies should also be transferred to OGDP on a timely basis. The amounts in the overseas bank account should be reconciled to the earnings received and remittances made.</p>
13	<p>There should be clear policies and procedures over usage of extractive revenue collected by the Government agencies. OAG should audit all the bank accounts, including bank accounts of all the SOEs, and consider to make the audit reports publicly available.</p>
14	<p>The government agencies should consider systematic disclosure and regular update of employment data for the extractive industries on their websites.</p>
15	<p>A formalised reporting framework for mandatory CSR expenditures should be implemented to facilitate consistent reporting of information required by the EITI Standard.</p>
16	<p>In view of the change in fiscal year and the different fiscal years for private companies and the government during the transition period (i.e. government fiscal period is from 1 April 2018 to 30 September 2018 followed by 1 October 2018 to 30 September 2019) the MSG should have early discussion to determine the periods to be covered for data reconciliation for the next MEITI reports.</p>

1.6 Extractive Industries Transparency Initiative (EITI) Implementation in Myanmar

The EITI²⁹ is a global standard to promote the open and accountable management of natural resources in the extractive sector. The aim of the initiative is to encourage countries to be more transparent in reporting the benefits received from the country's natural resources. By publishing material information on payments and revenues, the EITI aims to promote the prudent use of natural resource wealth as an important engine for sustainable economic growth that contributes to continuing development and poverty reduction. In each implementing country, it is supported by the governments, civil society organisations and companies working together.

The EITI standard rests on three pillars:

1. All revenues from extractive industries should be regularly published and independently verified.
2. Publication of data should be managed by a Multi-Stakeholder Group (MSG) composed of members from the government, the extractive industries, and civil society organisations, and
3. Data should be effectively shared with the country's citizens and stimulate an informed debate about how natural resources are governed.

Benefits of EITI implementation include the following:

- Governments benefit from following an internationally recognised transparency standard that demonstrates commitment to reform and combatting corruption, which then leads to improvements in the tax collection process, and enhances trust and stability in the extractive industry.
- Companies benefit from a level playing field in which all companies are required to disclose the same information. They also benefit from an improved and more stable investment climate in which they can more effectively engage with citizens and civil society.
- Citizens and civil society benefit from receiving reliable information about the sector and a multi-stakeholder platform where they can better hold to account the government and companies.

Globally, EITI is overseen by an EITI international board with members who represent implementing countries, supporting countries, civil society groups, business, and investment companies. The EITI international board provides support to countries implementing EITI, including technical advice and oversight of the validation and reconciliation process.

At the national level, the EITI is governed by a MSG composed of representatives from the government, the extractive industries, and civil society. This body sets the direction for EITI implementation by formulating country objectives, engaging stakeholders, crafting and implementing a work plan, publishing an EITI report, and recommending reforms based on the findings of the EITI report.

EITI implementation in Myanmar

Myanmar joined EITI on instructions from the President at the end of 2012. Myanmar then submitted its application to be an "EITI Candidate" country to the EITI Board in May 2014. At its 27th meeting in Mexico in July 2014, the EITI Board approved Myanmar's candidacy application.

On 29 December 2016, the Union Government formally appointed the Myanmar EITI Leading Committee composed of the Union Minister for Planning and Finance (MoPF) as Chairman, the Minister of Natural Resources and Conservation (MONREC) and the Minister of Energy and Electricity (MoEE) as members, and the Deputy Minister of MoPF as Secretary. The Renaissance Institute was appointed as the MEITI National Coordination Secretariat.

The goal of the Myanmar EITI³⁰ is to build efficient and trustful communication channels among the MEITI participating civil society groups, government and private sector; to ensure timely and convenient public access to information; and to create opportunities for dialogue or debate among stakeholders and the public. Its objectives are to provide information to the public in comprehensible and timely manner; to have opportunities for dialogue or debate among stakeholders and the public; to improve public understanding of social and economic impacts of natural resource extraction; and to deliver information in accordance with international EITI standards, indicators, principles and guidelines.

The First Myanmar EITI report (Fiscal Year 2013-2014) was published in December 2015. The Second (Fiscal Year 2014-2015) and Third (Fiscal Year 2015-2016) reports were approved and published by the MSG on 30 March 2018.

On 25 October 2016, the EITI International Board agreed that Myanmar's Validation under the 2016 EITI Standard would commence on 1 July 2018. The Myanmar's validation process is currently ongoing with the International Secretariat's Report on initial data collection and stakeholder consultation for Myanmar issued on 24 November 2018 and the Validation Report produced by CowaterSogema Independent Validator issued on 18 February 2019. The MSG has also submitted their comments on the two validation reports. The Myanmar validation is still under process and the EITI Board has not yet made the final decision on the overall assessment.

²⁹ <https://eiti.org/>

³⁰ <https://myanmareiti.org/en>

MEITI MSG and Working Groups³¹

There are 23 representatives in the Multi-Stakeholder Group (MSG) from the government sector, private sector and civil society and the National Secretariat. The working groups comprised of the MSG Leading Committee and MSG Working Committee.

MEITI National Coordination Secretariat Office

The main role of the MEITI National Coordination Secretariat office is to oversee effective implementation of the MEITI MSG work plan including, coordination, technical services, communication, training and outreach, coordinate meeting, coordinate experts, information and learning. Progress and report, coordinate international partners, financial management of the entire Myanmar EITI program.

1.7 Overall Approach and Methodology

We were engaged as the Independent Administrator for the fourth MEITI report for Fiscal Year 2016-2017 on 27 September 2018.

Opening meeting

The initial work activity is to review the Fiscal Year 2014-15 and Fiscal Year 2015-16 scoping study reports and Independent Administrator reports to understand the recommendations, legal and regulatory framework, and review notifications and contracts in order to identify the additional information including project level reporting that should be included in the Fiscal Year 2016-2017 scoping study report.

A kick-off meeting with MSG and National Secretariat was held on 8 October 2018 to agree the scope, timeline and outline of the FY 2016-2017 MEITI Report and confirm the new information to be included this year. Prior to the start of the scoping study, an anticipated challenge to the data collection was the level of cooperation and support of government agencies and reporting entities in providing prompt and complete data to the study.

Scoping Meeting

We conducted interviews with key government officials during the period from 8 October 2018 to 15 October 2018. Through these meetings, we obtained an understanding of the regulatory and fiscal frameworks of the extractive sector, the revenue collection process and key events that might have occurred during the periods from 1 April 2016 to 31 March 2017, including important exploration activities.

The Government agencies, civil society organisations and other entities contacted are as follow:

Government Agencies	
Myanmar Customs Department (Ministry of Planning and Finance)	Treasury Department (Ministry of Planning and Finance)
	Budget Department (Ministry of Planning and Finance)
Internal Revenue Department - IRD (Ministry of Planning and Finance)	Directorate of Investment and Company Administration (DICA) (Ministry of Planning and Finance)
MOBD (Ministry of Planning and Finance)	Myanmar Oil and Gas Enterprise (MOGE) (Ministry of Electricity and Energy)
Oil and Gas Planning Department (OGPD) (Ministry of Electricity and Energy)	Forest Department (Ministry of Natural Resources and Environmental Conservation (MONREC))
Department of Mines(DOM) (Ministry of Natural Resources and Environmental Conservation (MONREC))	Department of Geological Survey and Exploration (DGSE) (Ministry of Natural Resources and Environmental Conservation (MONREC))
No.1 Mining Enterprise (Ministry of Natural Resources and Environmental Conservation (MONREC))	No.2 Mining Enterprise (Ministry of Natural Resources and Environmental Conservation (MONREC))
Myanmar Gems Enterprise (MGE) (Ministry of Natural Resources and Environmental Conservation (MONREC))	Myanmar Pearl Enterprise (MPE) (Ministry of Natural Resources and Environmental Conservation (MONREC))
Central Statistical Organisation	Office of the Auditor General (OAG)
Civil Society Organisations	
Myanmar Alliance for Transparency (MATA)	Natural Resource Governance Institute (NRGI)
Military Holding Companies	
Myanmar Economic Holding Limited (MEHL)	Myanmar Economic Corporation (MEC)

³¹ Source: <https://myanmareiti.org/en/working-group>

Analysis of legal, tax and other documents

Apart from interviews conducted with the entities listed above, data was also obtained from the entities for the respective extractive sectors in Myanmar. Those documents obtained and their sources are further discussed in Section 2 of this report.

Scoping Meeting

A scoping study meeting was held with the MSG and the National Coordination Secretariat (NCS) in Naypyidaw on 26 November 2018. During the meeting, we:

- Presented preliminary findings of the information required to complete the reconciliation
- Liaised with the MSG to agree on the lists of the reporting entities and government agencies
- Reviewed and agreed, together with MSG, the payments and government revenue streams relating to the extractive industries that should be included in the IA Report, based on the agreed materiality thresholds.
- Prepared draft EITI Reconciliation work plan covering the revenue streams to be included and data to be collected, the definition of materiality and thresholds applicable to each sector, list of participating entities and government agencies and agreed on dates for reconciliation
- Discussed preliminary assessment of the potential challenges in the data reconciliation and the proposed actions points

The scoping findings and recommendations were then prepared and submitted to the MSG in the scoping study report. The revenue receipts to be included in the reconciliation, the participating companies and government agencies which were required to report were determined by MSG based on the outputs of the scoping study.

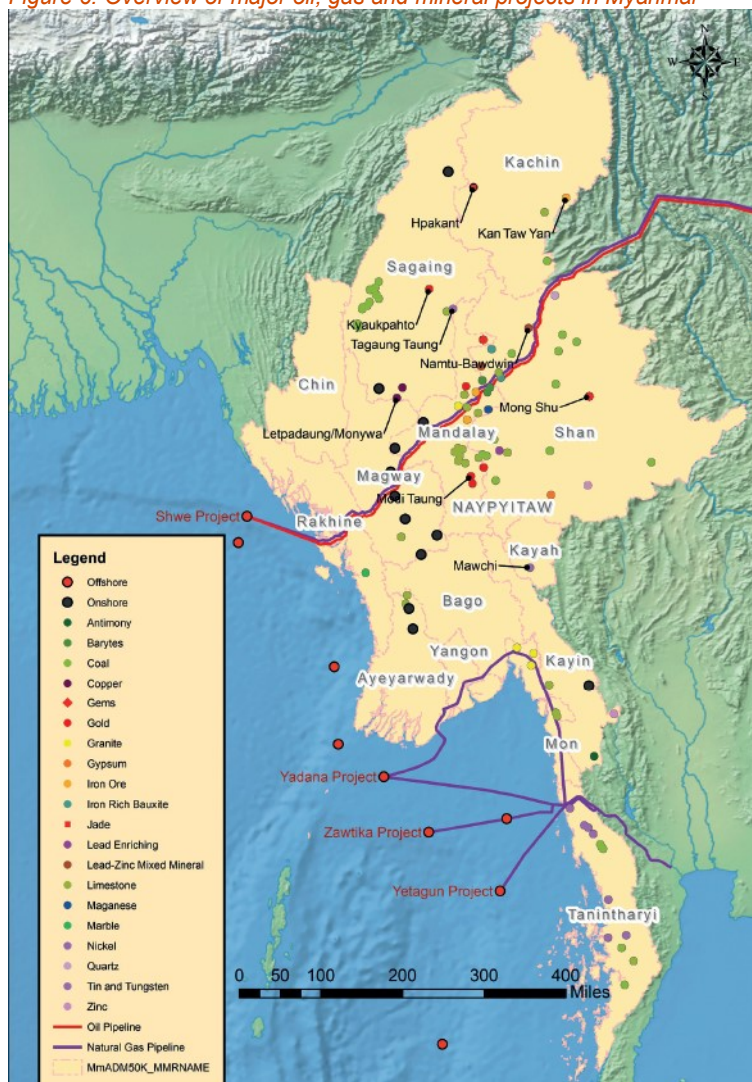
1.8 Coverage for the Fourth MEITI Report

Myanmar is rich in natural resources including oil and gas, various minerals and precious stones and gems. Implementation of the MEITI process will help the country to recover earnings from its natural resources. The sectors covered by this report are:

- Oil and gas study, exploration, development, production and export
- Oil and gas pipeline transportation
- Gems and Jade
- Mining and minerals
- Pearl

The reported data by the individual companies and government agencies in the above extractive industries and the reconciliation results are included in Section 3 of this report. For the fourth MEITI Report, the reconciliation has been carried out on data for FY 2016-2017, which is the period from 1 April 2016 to 31 March 2017.

Figure 6: Overview of major oil, gas and mineral projects in Myanmar³²



We wish to draw your attention to the Important Notice set out on Page 7, which should be read in conjunction with this report.

Yours faithfully

For and on behalf of PricewaterhouseCoopers Myanmar Co., Ltd.

Name : Alywin Teh
Title : Partner
Date : 12 July 2019

³² Source: Natural Resource Governance Country Strategy Note June 2016

2. Contextual Information

This section aims to provide contextual updates in respect of the legal framework and fiscal regime governing the extractive sector. The extractive sector can be divided into two main subsectors - oil and gas, and mining. The upstream oil and gas sector includes oil and gas exploration and production and oil and gas transportation. The downstream oil and gas sector includes refineries, marketing of refined products and petrochemicals. The mining sector includes coloured stones such as gems and jades, minerals such as gold, tin, tungsten, copper, nickel and pearl.

2.1 The Legal Framework and Fiscal Regime

This section covers the legal framework and fiscal regime of the extractive industry, duties and functions of government agencies related to extractive industry, license allocation, register of licenses, contracts, beneficial ownership and state participation. Military companies that play important roles in Myanmar economy are discussed at the end of the section.

2.1.1 The Legal Framework

EITI requirement 2.1 requires implementing countries to disclose a description of the legal framework and fiscal regime governing the extractive industries, including a summary description of the fiscal regime, level of fiscal devolution, overview of the relevant laws and regulations, and information on the roles and responsibilities of the relevant government agencies. The following laws and regulations govern the extractive industry in addition to the specific industrial laws and rules:

- (1) 1914 Myanmar Companies Act³³
- (2) 1940 Burma Companies Rules³⁴
- (3) 1950 Special Companies Act³⁵
- (4) 1992 Cooperative Society Law³⁶
- (5) 1998 Cooperative Society Rules
- (6) 1989 State-owned Economic Enterprises Law³⁷
- (7) 2016 Myanmar Investment Law³⁸
- (8) 2017 Myanmar Investment Rules³⁹
- (9) 2012 Environmental Conservation Law⁴⁰
- (10) 2014 Environmental Conservation Rules⁴¹
- (11) 1974 Income Tax Law⁴²
- (12) 2015 Income Tax Rules⁴³
- (13) 1990 Commercial Tax Law⁴⁴
- (14) 2015 Commercial Tax Rules⁴⁵
- (15) 2016 Specific Goods Tax Law⁴⁶
- (16) 1899 Stamp Act⁴⁷
- (17) 1940 Myanmar Stamp Rules⁴⁸
- (18) 2016 Union Taxation Law⁴⁹
- (19) 2017 Union Taxation Law⁵⁰
- (20) 2018 Union Taxation Law⁵¹
- (21) 2018-2019 Union Taxation Law⁵²
- (22) 2016 Citizen Budget⁵³
- (23) 2017-2018 Citizen Budget
- (24) 2018-2019 Citizen Budget
- (25) 1878 Seas Customs Act⁵⁴ & Seas Customs Act (Amended 2018)

³³https://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/myanamr_companies_act_1914.pdf

³⁴https://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/myanmar_companies_rules_1940_eng.pdf

³⁵<https://mfui.gov.mm/special-company-act1950>

³⁶<https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/72891/74312/F2060811910/MMR72891.pdf>

³⁷http://www.burmalibrary.org/docs15/1989-SLORC_Law1989-09-State-Owned_Enterprise_Act-en.pdf

³⁸https://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/myanmar_investment_law_official_translation_23-1-2017.pdf

³⁹https://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/mir_english_0.pdf

⁴⁰<http://www.myanmar-law-library.org/law-library/laws-and-regulations/laws/myanmar-laws-1988-until-now/union-solidarity-and-development-party-laws-2012-2016/myanmar-laws-2012-pyidaungsu-hluttaw-law-no-9-2012-environmental-conservation-law-english.html>

⁴¹http://www.burmalibrary.org/docs21/2014-06-Environmental_Conservation_Rules-en.pdf

⁴²https://www.mopf.gov.mm/sites/default/files/upload_pdf/2017/07/income%20tax%20law%202016%20update_0.pdf

⁴³[http://www.mopf.gov.mm/sites/default/files/upload_pdf/2018/10/IT%20Regulation\(2018\)_0.pdf](http://www.mopf.gov.mm/sites/default/files/upload_pdf/2018/10/IT%20Regulation(2018)_0.pdf)

⁴⁴https://www.mopf.gov.mm/sites/default/files/upload_pdf/2017/07/income%20tax%20law%202016%20update_0.pdf

⁴⁵[https://www.mopf.gov.mm/sites/default/files/upload_pdf/2018/10/CT%20Regulation\(2018\).pdf](https://www.mopf.gov.mm/sites/default/files/upload_pdf/2018/10/CT%20Regulation(2018).pdf)

⁴⁶https://www.mopf.gov.mm/sites/default/files/upload_pdf/2017/10/Book%20Style%20SGT%202016%20edited%20by%20Admend%20Law.pdf

⁴⁷https://www.mopf.gov.mm/sites/default/files/upload_pdf/2017/06/Stamp%20Act%202016.pdf

⁴⁸https://www.mopf.gov.mm/sites/default/files/upload_pdf/2017/10/Stamp%20Rule.pdf

⁴⁹<http://www.irdmyanmar.gov.mm/sites/default/files/The%20Union%20Taxation%20Law%20%202016.pdf>

⁵⁰https://www.irdmyanmar.gov.mm/sites/default/files/Union%20Taxation%20%20Law%202017_0.pdf

⁵¹<https://www.irdmyanmar.gov.mm/sites/default/files/Union%20Taxation%20Law%282018%29.pdf>

⁵²<https://www.irdmyanmar.gov.mm/sites/default/files/32-%20tax%20law2018-2019.pdf>

⁵³https://www.researchgate.net/publication/308873941_MYANMAR_CITIZEN_BUDGET_2015-2016-2017_AFTER_50_YEARS_UNDER_MILITARY_REGIME

⁵⁴[https://www.myanmarcustoms.gov.mm/pdf/Sea%20Customs%20Act%20\(27.7.2015\).pdf](https://www.myanmarcustoms.gov.mm/pdf/Sea%20Customs%20Act%20(27.7.2015).pdf)

- (26) 1924 Land Customs Act⁵⁵
- (27) 2012 Import Export Law⁵⁶
- (28) 1992 Tariff Law⁵⁷
- (29) 2017 Myanmar Financial Management Regulations⁵⁸
- (30) 2012 Essential Supplies and Services Law⁵⁹
- (31) 2012 Foreign Investment Law⁶⁰
- (32) 2013 Foreign Investment Rules⁶¹

In addition to the above mentioned laws, there are MIC notifications that were relevant in FY 2016-17:

- (1) Notification 49/ 2014 Amended Classification of Types of Economic Activities⁶²
- (2) Notification 10/ 2017 Designation of Development Zones⁶³
- (3) Notification 11/ 2017 Prescribing Investment Capital Amount for Investment Activities for State and Regional Investment Committees to Issue Endorsement Order⁶⁴
- (4) Notification 13/ 2017 Classification of Promoted Sector⁶⁵
- (5) Notification 15/ 2017 List of Restricted Investment Activities⁶⁶
- (6) Notification 26/2016 Classification of Types of Economic Activities⁶⁷

2.1.2 The Fiscal Regime

The financial period for this report covers the period from 1 April 2016 to 31 March 2017 (FY 2016-2017). In 2018, the government changed the government fiscal year end from 31 March to 30 September. Under Union Taxation Law 2018-2019, SOEs and the companies reporting to the Central Bank of Myanmar are required to adopt the government fiscal year ending 30 September starting from 1 October 2018; and all other taxpayers other than SOEs and the companies reporting to the Central Bank of Myanmar are required to keep their financial year ending 31 March 2019 and will start adopting the government fiscal year ending 30 September starting from 1 October 2019.⁶⁸

Revenues and expenses of Government agencies and SOEs are governed by the Union Budget Law. The budget is prepared based on estimated revenue and expenses. There are three main types of revenues and expenses; current revenue and expenses, capital revenue and expenses and financial revenue and expenses⁶⁹.

Revenue is classified into taxes, receipts from SOEs, other current receipts, interest receipts, grant receipts, capital receipts, receipts from foreign aids, recovery of loans, withdrawal of loans, receipts from investments and receipts from savings. Expenditure is classified into current expenditure, payment of interest, contribution, capital expenditure, disbursement of loans, repayment of loans, investments in organisations and savings.⁷⁰

Under the Medium Term Fiscal Framework (MTFF), budgets are prepared for a period of three years with the aim of efficient allocation of resources, improved strategic resource allocation and adopting international best practices. Budgets are prepared with the best estimates on revenues and expenditures through bottom-up budgeting and top-down planning. Growth rates in real GDP, nominal GDP and import, nominal GDP, rate of inflation, foreign exchange and interest on treasury bonds and bills are considered as macro-economic indexes.⁷¹

⁵⁵http://www.burmalibrary.org/docs15/1924-Land_Customs_Act-en.pdf

⁵⁶<http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=6&ved=2ahUKEwtpPzez9PqAhW9xosBHdFqAIEQFjAFegQICRAB&url=http%3A%2F%2Fwww.myanmar-law-library.org%2Fflaw-library%2Fflaws-and-regulations%2Fflaws%2Fmyanmar-laws-1988-until-now%2Funion-solidarity-and-development-party-laws-2012-2016%2Fmyanmar-laws-2012%2Fpyidaungsu-hluttaw-law-no-17-2012-import-export-law-burmese.html&usq=AOvVaw1-MgaYRkwtYqC6-KkHAYmF>

⁵⁷[http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&ved=2ahUKEwih8_ya0NPgAhUxxosBHQhNCQKQFjABegQIBBAC&url=http%3A%2F%2Fwww.myanmartradeportal.gov.mm%2Fuploads%2Flegals%2F2018%2F5%2FTariff%2520Law%25201992\(Eng\).pdf&usq=AOvVaw0qIf2HBdRbl6BnM3VSill](http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&ved=2ahUKEwih8_ya0NPgAhUxxosBHQhNCQKQFjABegQIBBAC&url=http%3A%2F%2Fwww.myanmartradeportal.gov.mm%2Fuploads%2Flegals%2F2018%2F5%2FTariff%2520Law%25201992(Eng).pdf&usq=AOvVaw0qIf2HBdRbl6BnM3VSill)

⁵⁸https://www.mopf.gov.mm/sites/default/files/upload_pdf/2018/10/Financial%20Rules%20and%20Regulations.pdf

⁵⁹https://www.commerce.gov.mm/sites/default/files/documents/2014/12/The%20Essential%20Supplies%20And%20Services%20Law%20_English_final.pdf

⁶⁰<http://www.moj.go.jp/content/000112674.pdf>

⁶¹<http://www.moj.go.jp/content/000123997.pdf>

⁶²<http://twbusiness.nat.gov.tw/files/201409/Myanmar1030915.pdf>

⁶³https://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/zone_notification_102017_unofficial_translation.pdf

⁶⁴https://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/20170410-mic_notification_no_11_2017.pdf

⁶⁵https://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/notification_13-2017_eng.pdf

⁶⁶https://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/notification_15-2017_eng.pdf

⁶⁷<https://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/notification26englishversion.pdf>

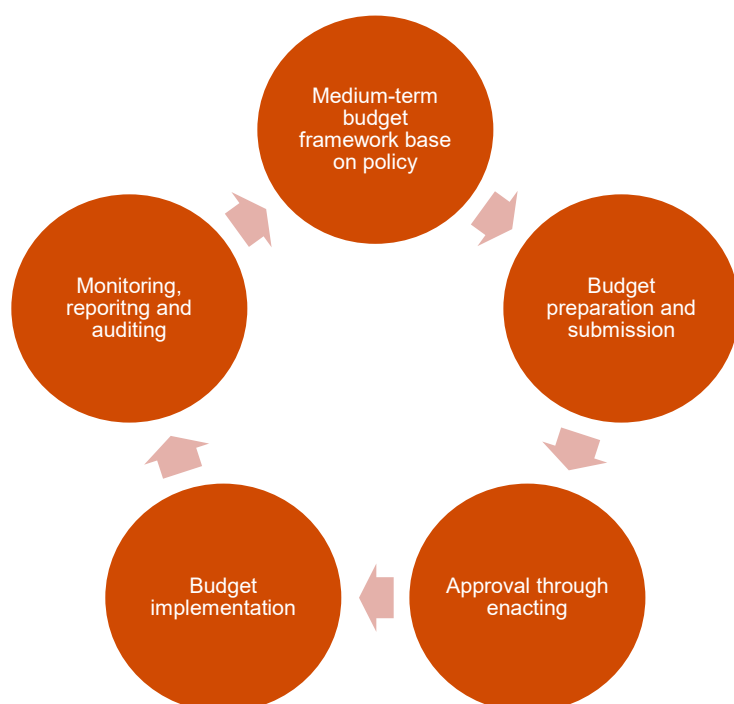
⁶⁸The Union Taxation Law 2018

⁶⁹Citizen Budget FY 2016-2017

⁷⁰https://www.mopf.gov.mm/sites/default/files/upload_pdf/2018/09/2016%20Union%20Budget%20Law-amende_English.pdf

⁷¹<https://www.unescap.org/sites/default/files/Public%20Finance%20Management%20Reform%20in%20Myanmar.pdf>

Figure 7: Budget Cycle of Myanmar⁷²



The MoPF prepares the medium-term budget framework based on existing policy. Ministries, organisations and MoPF prepare budget and submit to the Finance Commission and the Union Government for approval on the budget. The Union Budget Bill is drafted upon approval of the budget submitted. Union Parliament then enacts Union Budget Law. Union Budget Law is enacted every year. MoPF and ministries and organisations implement the budget, prepare and submit reports on the performance. The Union Parliament (also known as Pyidaungsu Hluttaw) monitors reports and the Office of Auditor General (OAG) audits the reports.⁷³

The budget estimate has to be prepared six months before the end of current financial year with estimated revenue and expenses for the following financial year. The Regional budget law is passed upon approval. In the case of insufficient budget for a particular expense or insufficient funds to be able to be transferred from another budget heading or where no budget allocation was made, supplementary budget allocation is made. Revised estimates are made when supplementary budget allocations are received or the budget estimate is deviated from the actual.⁷⁴

The Finance Commission is formed with 21 members; the President of the Union as Chairperson, the two Vice Presidents as Vice Chairpersons, the Union Attorney General, the Union Auditor General, Regional Chief Ministers and the Chairperson of Nay Pyi Taw Council as members and the Union Minister of Ministry of Planning and Finance as Secretary. The Vice President assigned by the President is responsible for scrutinising the budgets prepared and submitted by the Union Ministries and the Union level organisations. The other Vice President is responsible for scrutinising the budgets prepared and submitted by the Regional Government. The Finance Commission shall submit the Union Budget and the Union Supplementary Budget Allocation to the President for approval and then submit the Bills to the Pyidaungsu Hluttaw for approval.⁷⁵

Corporate income tax on taxable income is 25% unless tax exemption is granted through the Myanmar Investment Commission Permit. Capital gains tax on gains derived from the disposal of capital assets ranges from 40% to 50% in the upstream oil and gas sector and 10% in the other sectors.⁷⁶ Withholding tax on payments made to foreign residents are applied at a rate depending on the nature of the payment – 15% for interest payments, 20% for royalties in respect of license, trademarks, patents and 3.5% for the procurement of goods and services and 2% from residents for FY 2016-2017⁷⁷. These rate may be adjusted depending on the application of a double tax treaty between Myanmar and the jurisdiction of the foreign resident.

⁷²Citizen Budget for FY 2016-2017

⁷³Citizen Budget for FY 2016-2017

⁷⁴Citizen Budget for FY 2016-2017

⁷⁵Citizen Budget for FY 2016-2017

⁷⁶ 2016 Union Tax Law

⁷⁷ Notification 41/2010 by the MOPF

Tax rates applicable for FY 2016-2017 are also set out in the table below.

Table 21: Tax Rates Applicable for FY 2016-2017

Direct taxes	Indirect taxes	Other taxes
<ol style="list-style-type: none"> 1. Corporate income tax – 25% 2. Personal income tax – 0% to 25%, 25%, 10% 3. Capital gains tax – 10% (40% to 50% on upstream oil and gas sector) 4. Withholding tax – 2% to 15% depending on the nature of payments and tax residency status of recipients 5. Undisclosed source of income – 15% to 30% 	<ol style="list-style-type: none"> 6. Commercial tax – 0% to 8%, with a standard rate of 5% 7. Specific goods tax – 5% to 80% 8. Customs duty – 0% to 40% 	<ol style="list-style-type: none"> 9. Stamp duty 10. Property tax 11. Social Security Contribution

The 3.5% withholding tax rate on the procurement of goods and services from non-residents has subsequently been reduced to a 2.5% rate on services provided in Myanmar. The 2% withholding tax on the procurement of goods and services from residents has been eliminated.

2.1.2.1 Oil and Gas

Oil and gas sector was governed by the following legislation:

- (1) 1918 Oil Fields Act⁷⁸
- (2) 2010 Law Amending the Oilfields Act⁷⁹
- (3) 1918 Oil Fields Rules
- (4) 2017 The Petroleum and Petroleum Products Law⁸⁰ (former 1934 Petroleum Act⁸¹)
- (5) 1937 Petroleum Rules (Petroleum and Petroleum Products Rules are being drafted)
- (6) 1951 Oil Fields Labour and Welfare Act⁸²
- (7) 1957 Petroleum Resources Development Regulation Act (in the process of revision)
- (8) 1969 Amended Petroleum Resources Development Regulations Act (in the process of revision)
- (9) 1962 Myanmar Petroleum Concession Rules
- (10) 2017 The Petroleum Hand-dug Well Law⁸³

In addition to the above, the Petroleum Resources Development Bill 2019 has been drafted and is currently being discussed in parliament. This will replace the 1957 Petroleum Resources Development Regulation Act.

Contract types

The Oil and Gas sector in Myanmar is governed by three types of contracts, as set out below:

- Production Sharing Contracts (PSCs): for Offshore and Onshore projects;
- Performance Compensation Contracts (PCC): for onshore projects; and
- Improved Petroleum Recovery Contracts (IPRs): for onshore projects.

The terms and conditions of PSCs were published on the MoEE website during bidding round but are not available any longer. PSCs in Myanmar included the following terms:

Oil and Gas Transportation

MOGE earns right of way income and profit sharing from the oil and gas transportation companies. IRD earns commercial tax, income tax and stamp duty from the oil and gas transportation companies and the MOGE.

Revenues

The Myanmar government tax and non-tax revenues derived from a PSC include data fees for acquisition of seismic data, signature bonus, royalty on available petroleum, state (MOGE) share of profit petroleum (profit petroleum = available petroleum – royalty – cost recovery), production bonus, MOGE's revenue as a contractor in PSC's in production (referred to as state participation), commercial tax, specific goods tax, income tax, stamp duty and customs duty.

⁷⁸https://www.myanmarconstitutionaltribunal.org.mm/lawdatabase/sites/default/files/myanmar_code/2016/04/1-1918%20The%20Oilfields%20Act.pdf

⁷⁹http://www.burmalibrary.org/docs18/2010-12-31-SPDC_Law2010-34_Law_Amending_the_Oilfields_Act_1918-oag-en.pdf

⁸⁰<http://www.moee.gov.mm/en/ignite/page/99>

⁸¹<https://www.myanmarconstitutionaltribunal.org.mm/lawdatabase/en/node/1562>

⁸²http://www.myanmar-law-library.org/?page=pdfs&id_document=83#page=147

⁸³<http://www.moee.gov.mm/en/ignite/page/98>

Non-tax Revenue

Data fees are quoted by the MOGE. Signature bonuses are proposed by the bidding companies. Royalties are fixed at 10% of available petroleum for the contracts entered before 2011 bidding rounds and increased to 12.5%. The OGPD receives signature bonuses and royalties.

The MOGE has the right to receive profit petroleum allocation as state share of production. It also has the right to enter into the joint operations agreement with the operators in the project and earns state participation of 20% that can be increased to 25%. The MOGE is an executing body of upstream and mid-stream oil and gas sector in accordance with the rules and regulations laid down by the Union Ministries.

Cost of petroleum is shared by the MOGE and the MOGE receives its share of cost recovery after commercial discovery, if the MOGE chooses to participate in a PSC. The cost of petroleum shared by the MOGE is an expenditure of the MOGE and paid by the MOGE to the Operator. Cost recovery is a reimbursement of the cost of petroleum incurred and limited to 60% of available petroleum for the deep water blocks and 50% for the shallow water blocks and the onshore blocks.

A production bonus is payable by the Contractor at the progressive rates depending on the production volume. The MOGE buys oil and gas for domestic use where the MOGE has the rights to buy 20% of crude oil and 25% of natural gas of contractor's share of profit petroleum at 90% of fair market value as domestic market obligations under PSC terms. The MOGE has the rights to buy in excess of domestic market obligations but at the fair market value.

The MOGE receives state share of production and state participation (and production bonus if the production exceeds a certain volume). The MOGE makes payment for its share of cost of petroleum and receives its share of cost recovery. The MOGE's share of cost recovery is accounted for as an income in the statement of income and expenditure of the MOGE.

The only one in-kind revenue received by the MOGE in FY 2016-2017 is royalties on incremental petroleum recovery contract from Goldpetrol.

Further details on MOGE's entitlements and revenue and comparison to FY2015-2016 are set out below.

State Production Entitlement. In the FY 2015-2016 MEITI Report, it was defined as the State's entitlement to the profit oil/ gas of the oil and gas produced. It was classified as in-kind payment in the previous report. This is applicable to the PSC Contractors. In the FY 2016-2017, all offshore productions were sold to both domestic and export markets and part of the revenue was shared to the MOGE for state production entitlement. We understood from one of the Contractors' statement that the Contractors settled state production entitlement in cash. The payment is hence regarded as a cash settlement.

MOGE Production Entitlement. In FY2015-2016 MEITI Report, it was defined as MOGE's entitlement on the profit oil/ gas and cost oil/ gas of the oil and gas produced. All three of the standard PSCs used by OGPD (formerly known as EPD) contain state buy-in provisions. For onshore blocks, the standard PSC reserves a 15% undivided interest for MOGE, with the option for the state to increase their share up to a 25% undivided interest in the project. For offshore blocks, MOGE has the right to buy-in to the project up to 20% upon a commercial discovery (increasing to 25% if the reserves are greater than 5 TCF). It is also classified as in-kind payment in the previous reports. This is applicable to the PSC Contractors.

In FY 2016-2017, all offshore productions were sold to both domestic and export markets and part of the revenue was shared to the MOGE for MOGE production entitlement. We also understood from one of the Contractors' statement that the Contractors settled MOGE production entitlement in cash. The payment is hence regarded as a cash settlement.

Royalties. In FY 2015-2016 MEITI Report, it was defined as a charge at the percentage (mentioned in the PSC) of the value of production. The same rate applies for both oil and natural gas. Royalties in Myanmar could be paid in kind or in cash. It is also classified as in-kind payment in the previous reports.

According to the royalty section in IPR contract provided to the IA by the MOGE, *"The Royalty shall be paid in kind. Unless otherwise agreed by the Government of the Union of Myanmar and Contractor, the Royalty taken in kind by the Government of the Union of Myanmar shall be delivered at the Delivery Point and shall be supplied in regular and even lifting so as not to disrupt Contractor's lifting schedules."*

It is clear that the royalty for IPR contract is in-kind and the Government has received royalty as in-kind. Royalty of IPR contract is treated as in-kind in the Fourth MEITI report and this treatment is consistent with that of previous year.

For the PSC, royalty section is not provided to the IA. However, we also understood from one of the Contractors' statement that the Contractors settled MOGE production entitlement in cash. The payment of PSC Contractors is hence regarded as a cash settlement.

Baseline Payment (IPR/ PCC). In FY 2015-2016 MEITI Report, it was defined as an in-kind payment made by Oil and Gas onshore companies to MOGE. The amount and payment modalities are detailed in the PCC (Performance Compensation Contracts) and IPR (Improved Petroleum Recovery Contract). It is also classified as in-kind payment in the previous reports.

We understood from the statements reported by the Contractors that all the production was taken by the MOGE and MOGE settled to the Contractor for their share of cost recovery and incremental production.

Risk Compensation (IPR/ PCC). In FY 2015-2016 MEITI Report, it was defined as an in-kind payment made by Oil and Gas onshore companies to MOGE. The amount and payment modalities are detailed in the PCC (Performance Compensation) Contracts and IPR (Improved Petroleum Recovery Contract). It is also classified as in-kind payment in the previous reports. The MOGE confirmed that there was no risk compensation in FY 2016-2017.

Payments out of Production. In 2015-2016 MEITI Report, it was defined as a reimbursement of undivided interests by MOGE in the total of the rights and obligations can be made in kind or "Payment out of Production" of fifty percent (50%) of MOGE'S production entitlement under the Contract valued commencing from the beginning of Commercial Production. It is also classified as in-kind in the previous reports. This is applicable to all Contractors.

In FY 2016-2017, payment out of production is referred to as cash call that is payment from the MOGE to the Contractors for their participation in the Contract. These payments are either cash payment or the net off. We also understood from one of the Contractors' statement that the Contractors settled MOGE production entitlement in cash. The payment is hence regarded as a cash settlement from the MOGE.

Domestic Market Obligations. In FY 2015-2016 MEITI Report, it was defined as the Contractor's obligatory share of the domestic market obligation will be in the proportion that the Contractor's entitlement to crude oil and gas to all produced in Myanmar, up to 20% of the crude oil allocated to the Contractor. It is also classified as in-kind payment in the previous reports. This is applicable to all the Contractors.

According to the domestic market gas section in PSC provided to the IA by the MOGE, *"The Domestic Market Gas quantities (Qd) delivered each year to Myanmar, according to a long-term contract, will be a part of Myanmar and MOGE revenue for the corresponding year, which will be taken 'in-kind'. The Myanmar and MOGE total revenue (R) in a year are:*

- From the Petroleum Production joint venture:

The Royalty, the Cost Petroleum and Profit Share of MOGE, the various Bonuses and the Income Tax.

- From the Gas Transportation Company:

The Income Tax and MOGE profit share.

The value of the Domestic Market Gas (D) is determined above in Section (3); this value (D) multiplied by the Domestic Market Gas quantity (Qd) is the part of Myanmar and MOGE revenues which are taken 'in-kind'. The remaining: $R - Qd \times D$ will be taken 'in cash' i.e. paid to Myanmar and MOGE by the Foreign Participants in the Project."

According to the domestic market gas payment in PSC provided to the IA by the MOGE, *"The difference between the Government and MOGE revenue and the net value of the Supply Gas taken by the Recipient. When such difference is positive, it shall be paid in US dollars, or in such other currency as the Parties acting in good faith according to the circumstances shall unanimously agree, to the Government pursuant to the Export Gas Proceeds Distribution Procedure. Should such a difference be negative, said difference, hereinafter referred to as the "Debit", will be carried forward for the next month or months and counted against the revenues of these months. However, if the Debit turns out to exceed the value of the sum of the DCQs for one month at the contract value in effect for that month, and unless otherwise agreed between the suppliers and the recipient, the delivery of supply gas may be suspended until the Debit falls below such a limit. When there is a Debit at the termination of this contract, as defined by the provisions of Clause 18.1, this Debit shall be paid to the Suppliers in cash at the time of such termination.*

On or before the last day of the month following each Contract year, the Operator shall render or cause to be rendered to the Recipient a statement showing the total quantity of supply gas delivered hereunder in the preceding Contract year, expressed in cubic feet and millions of BTUs and the contract values applicable."

In FY 2016-2017, domestic market obligation is purchase of MOGE from the Contractors. For offshore contracts, the MOGE takes domestic market obligations as a percentage from the exports and net off with its revenue in cash. For onshore contract, the MOGE settles this together with its net purchase quantities from the Contractor's share of cost recovery and incremental production. This settlement is hence regarded as a cash purchase of the MOGE.

Tax Revenue

Companies in the oil and gas sector are subject to a 25 % tax on profits under the Income Tax Law. Under the 2016 Union Tax Law, Commercial Tax is levied at 5 % on exporting crude oil and Special Goods Tax is levied at 8 % on import, production and exports of natural gas. Additionally, stamp duty is payable upon entering into agreements with the major source of stamp duty revenue being from rental contracts and the transfer of shares.

Income tax is collected at 25% on the taxable income of the oil and gas companies and the MOGE by the IRD. Commercial tax and specific goods tax of the Contractors of producing oil blocks are collected in cash from the MOGE in FY 2016-2017 as these have been assumed by Myanma Oil and Gas Enterprise under the terms of PSCs. Customs duty is also incurred by Myanma Oil and Gas Enterprise.

Specific goods tax is collected with three objectives, to reduce consumption of unhealthy products, to conserve natural resources and to reduce consumption of environmentally unhealthy products. Under the Specific Goods Tax Law and Union Taxation Law 2016, importation and production of kerosene, gasoline, diesel and jet fuel is subject to 5%, natural gas 8% and export of natural gas 8%. Kerosene, gasoline, diesel and jet fuel are downstream petroleum products. The IRD is collecting specific goods tax on the natural gas production, import and export. Under the Union Taxation Law 2016, specific goods tax paid upon production can be offset with the specific goods tax upon export.

As described earlier, capital gains tax is payable on gains derived from the disposal of assets. Whilst the IRD initiated a broad view of the definition of oil and gas sector for the purpose of applying 40% to 50% CGT rates, the Union Taxation Law 2018 clarified that

these rates are limited to upstream oil and gas companies. Gains on the disposal of assets in the refining, retail and commercial downstream business assets should be subject to the normal 10% CGT rate.

The IRD receives revenue in respect of the various taxes discussed above. The MCD receives revenue from customs duty on imports and service fees, penalties and other fees from imports and exports.

2.1.2.2 Minerals

Myanmar's mining sector is one of the largest income generation sectors that drives the economy of Myanmar, although it is not as developed as the oil and gas sector given the low level of investment. The majority of mineral deposits found in Myanmar consist of base metals (gold, copper, silver, lead, zinc, tin, manganese and antimony), industrial minerals (cement, clays, gypsum, fertiliser bases, dolomite, limestone, salt and barite), energy sources (coal and uranium) and gems (jade, rubies, spinel, peridot, sapphire, kyanite). These extensive mineral resources attract significant interests from international mining companies.⁸⁴

Mining operations includes exploration, study and mining. Mining permits range from artisanal to large-scale joint venture contracts. Mining permits are issued by the MONREC except artisanal permits which are issued by the DOM. *The following laws and regulations are relevant to companies operating in the mining sector.*

- (1) 1994 Myanmar Mines Law⁸⁵
- (2) 1996 Myanmar Mines Rules⁸⁶
- (3) 2015 Amendment of Myanmar Mines Law⁸⁷
- (4) 2018 Myanmar Mines Rules⁸⁸

The 1994 Myanmar Mines Laws covered prospecting, exploration, large scale, small scale and artisanal mining. The 2015 Amended Myanmar Mines Law covered medium scale mining, feasibility study, processing and trading and some definitions were amended such as "minerals" where it includes metallic minerals extracted from the rivers, creeks, ponds and lake basement, "permit" where it got extended to feasibility studies, processing and trading, "feasibility studies" which includes study on commercial viability such as extraction, processing, financials, environmental and social impact, "trading" where it means buying, selling, transport and storage of metallic minerals, "artisanal mining" where basic mechanical mining practices are covered instead of production using ordinary hand tools.⁸⁹

Foreign investments are allowed to invest as joint venture partners in large scale mining depending on the quality and quantity of mineral deposit. Large scale mining permits were granted for up to 25 years and small scale mining permits for up to five years. Under the 2015 Amendment Myanmar Mines Law, large scale is granted for up to 50 years, medium scale up to 15 year and small scale up to ten years. Prospecting permits remained the same for one year, exploration permits for three years and artisanal permits for one year with options to extend for up to four times.⁹⁰

Royalties are based on advalorem sales and the rates changed under the 2015 Amended Myanmar Mines Law. Operators were required to pay royalty either in cash or in-kind. Under 1994 Mines Law, gold, platinum, uranium and silver were subject to 4%-5%, iron, zinc, copper, lead, tin, tungsten, nickel, antimony and alluvium at 3%-4%, gemstones and jade at 5%-7.5% and industrial minerals or stones at 1%-3%. Under the 2015 Amended Mines Law, royalty on gold, platinum and uranium is fixed at 5%, silver, copper, tungsten, nickels at 4%, iron, zinc, and lead, antimony and alluvium at 3% and industrial minerals or gemstones at 2%.⁹¹

The 2015 Amended Mines Law encourages profit sharing rather than production sharing while 1994 Mines Law and 1996 Mines Rules prescribed for production sharing. Operators that enter into PSCs are responsible for 100% of production costs and are required to share a certain percentage of production to the relevant mining enterprises. The 2015 Amended Mines Law requires joint venture operators to commit in environmental impact assessments and required feasibility studies to include information on social and environmental impact in the project proposed that showed an additional oversight on the feasibility studies. The Chief Inspector is responsible for inspecting system and controls for social and environmental impacts from the mining project under the 2015 Amended Mines Law. Operators are required to establish environmental/ social fund and fund for mines closure and rehabilitation while there is not enough prescription on site rehabilitation.⁹²

The Government receives revenue from mineral companies both in cash and in-kind. Dead rents are payable from Year 1 exploration under the Mines Rules. Performance bank guarantees and signature bonuses are prescribed under PSCs but is not prescribed in the 2015 Amended Mines Law.⁹³

⁸⁴ <https://www.austrade.gov.au/australian/export/export-markets/countries/myanmar/industries/resources>

⁸⁵ http://www.mining.gov.mm/LAWS_mm/1.LAWS_mm/Mining_Law_Book_Eng_Myan.pdf

⁸⁶ http://www.mining.gov.mm/LAWS_mm/1.LAWS_mm/RULE_2018.pdf

⁸⁷ <http://www.myanmar-law-library.org/law-library/laws-and-regulations/laws/myanmar-laws-1988-until-now/union-solidarity-and-development-party-laws-2012-2016/myanmar-laws-2015/pyidaungsu-hluttaw-law-no-72-2015-law-amending-the-myanmar-mining-law-burmese.html>

⁸⁸ <https://www.slideshare.net/aung3/myanmar-mining-law-2018-in-burmese-update-1332018>

⁸⁹ http://www.mining.gov.mm/LAWS_mm/1.LAWS_mm/Mining_Law_Book_Eng_Myan.pdf

⁹⁰ http://www.mining.gov.mm/LAWS_mm/1.LAWS_mm/Mining_Law_Book_Eng_Myan.pdf

⁹¹ http://www.mining.gov.mm/DM_mm/1.DM_mm/Details.asp?submenuID=8&sid=186

⁹² <http://www.myanmar-law-library.org/law-library/laws-and-regulations/laws/myanmar-laws-1988-until-now/union-solidarity-and-development-party-laws-2012-2016/myanmar-laws-2015/pyidaungsu-hluttaw-law-no-72-2015-law-amending-the-myanmar-mining-law-burmese.html>

⁹³ <http://www.myanmar-law-library.org/law-library/laws-and-regulations/laws/myanmar-laws-1988-until-now/union-solidarity-and-development-party-laws-2012-2016/myanmar-laws-2015/pyidaungsu-hluttaw-law-no-72-2015-law-amending-the-myanmar-mining-law-burmese.html>

The following taxes are collected from mineral companies:⁹⁴

- Income tax on taxable income is 25% unless there is tax exemption granted through MIC permit. Capital gains tax on gains derived from the disposal of capital assets are 10%.
- Commercial tax is 5% on domestic sales of minerals if revenues exceeds MMK 20 million in FY 2016-2017. No commercial tax is collected on export of minerals.

In addition to the taxes collected, the government receives application fees, royalties, dead rent and license fees in cash from the permit holders and state contribution from the ME (1) and the ME (2). It was understood from the initial meetings with the DOM and mining enterprises, the only in-kind royalty payments in FY 2016-2017 were from mining permits holders of copper, nickel, gold, tin and tungsten.⁹⁵

2.1.2.3 Gems and Jade

Most of the world's supply of rubies and jade are sourced from Myanmar. However, the Myanmar government prohibits the extraction of precious gems by foreign investors. Myanmar rubies and jadeite command the highest prices on international markets and Myanmar is the world's largest source of jadeite, accounting for an estimated 90% of global production as per Global Witness research⁹⁶.

Gems and jade extraction, sales of rough gems and jade, cutting and polishing, sales of polished gems and jade, making jewellery and sales of jewellery in Myanmar are governed by the following laws and regulations:

- (1) 1995 Myanmar Gemstone Law⁹⁷
- (2) 1995 Myanmar Gemstone Rules
- (3) 2003 Amendment of Myanmar Gemstone Law⁹⁸
- (4) 2016 Second Amendment of Myanmar Gemstone Law⁹⁹
- (5) 2019 Myanmar Gemstone Law¹⁰⁰

Pursuant to the 1995 Myanmar Gemstone Law, MONREC is to designate gemstone tract and gemstone blocks to determine the tenure of permit, floor price of gemstone block and invite competitive bids for gemstone blocks.

There are two types of licenses under Myanmar Gemstone Law; gemstone extraction permit and gemstone trading license. The law intends to develop the whole value chain of gemstones in Myanmar while eradicating illegal extraction and trade. Extraction of ruby, sapphire, jade and diamond are subject to a 20% royalty on production and others 10%.¹⁰¹

The enactment of the Myanmar Gemstone Law supersedes the Mining Law as such the Mining Law is no longer applicable to the gems sector effective in the year 1995. The Myanmar Gemstone Law was amended in 2003 and was later on amended in 2016. The significant changes in the second amendment is categorising gemstones into rough, cut and polished and jewellery and products made with gemstones. The 1995 Myanmar Gemstone Rules supported Myanmar Gemstones Law and technical guidance and procedures were prescribed. Myanmar Gemstones Law was enacted on 30 January 2019. MGE is responsible for drafting rules and regulations.¹⁰²

It was understood from the initial meetings with the DOM, the DOM and the MGE receive revenue from the gems and jade companies both in cash and in-kind. Income tax on taxable income and capital gains, specific goods tax, commercial tax, withholding tax are collected in cash by the IRD. Customs duty is collected in cash upon imports by the MCD.

The following taxes are collected from the companies:¹⁰³

- Income tax on taxable income is 25% unless there is tax exemption granted through the MIC Permit. Capital gains tax on gains derived from the disposal of capital assets are 10%.
- Specific goods tax of 20% was charged on rough gemstones, 5% on finished goods production, sales and export. Specific goods tax paid upon production can be offset against the specific goods tax due upon sales and export.
- A 5% Commercial tax is imposed on domestic sales of gems and jewellery if revenue exceeds MMK 20 million. No commercial tax is collected on export.

⁹⁴2016 Union Tax Law

⁹⁵Meeting held in Nay Pyi Taw with the DOM, the ME (1), the ME (2), the MGE and the MPE

⁹⁶<https://www.globalwitness.org/jade-story/>

⁹⁷http://www.burmalibrary.org/docs15/1995-SLORC_Law1995-08-Myanmar_Gemstone_Law-en.pdf

⁹⁸http://www.myanmar-law-library.org/IMG/pdf/myanmar_laws_2003.pdf

⁹⁹<http://www.myanmar-law-library.org/law-library/laws-and-regulations/laws/myanmar-laws-1988-until-now/union-solidarity-and-development-party-laws-2012-2016/myanmar-laws-2016/pyidaungsu-hluttaw-law-no-23-2016-second-amendment-to-the-myanmar-gemstone-law.html>

¹⁰⁰http://www.myanmar-law-library.org/IMG/pdf/myanmar_gemstone_law.pdf

¹⁰¹http://www.mining.gov.mm/DM_mm/1.DM_mm/Details.asp?submenuID=8&sid=186

¹⁰²http://www.myanmar-law-library.org/IMG/pdf/myanmar_laws_2003.pdf

¹⁰³2016 Union Tax Law

In addition to the taxes, the government receives application fees, royalties, dead rent and license fees from the permit holders and state contribution from the MGE. There is an in-kind royalty payment in FY 2016-2017 from jade companies.

The Gemstone Sector Supporting Committee was formed through notification 106/ 2017 on 9 November 2017 with 22 members represented by the following: the Union Ministries, Gems and Jewellery Entrepreneurs Association and civil society by Ministry of Natural Resources and Environmental Conservation. A series of workshops were conducted in different regions in order to collect inputs from stakeholders for the gemstone policy that will be drafted with assistance from foreign experts. Monthly meetings were held where several issues were discussed and debated in order to get consensus on the framework of the gemstone policy. The Myanmar Gemstone Policy statement was drafted with the 36 statements with the following 16 topics that was published to public for comments and suggestions until 18 January 2019.

New Myanmar Gemstones Law was enacted on 30 January 2019. It was criticised that it did not reflect a certain key issues of Draft Myanmar Gemstone Policy such as licensing criteria, transparency in the valuation process, conflict of interest of the MGE roles as a regulator as well as a participant in the joint ventures and beneficial ownership disclosure.¹⁰⁴

2.1.2.4 Pearl

Pearl has six types of functions that need licenses and three types of activities that need to get registered, all of which are regulated under Myanmar Pearl Law¹⁰⁵ and Myanmar Pearl Rules.¹⁰⁶ Myanmar Pearl Law was enacted in 1995 and was amended in 2014 and again in 2018 while Myanmar Pearl Rules was approved in 2000 and was amended in 2015 and 2016 after restructuring the MPE and Ministry.

Myanmar Pearl Law 1995 has 13 Chapters and it specifies the license application and approval process, responsibilities of licensees and owners of registered vessels and registered technicians and divers, designation of oyster fishing ground, functions of MPE, Inspector General and Inspectors, administrative actions and penalties. The Myanmar Pearl Rules have seven chapters and elaborate on the license application and approval process, responsibilities of licensees, registration application and approval process, responsibilities of registration holders, designation of oyster fishing ground and valuation team along with different application forms and license/ registration forms with regulations.¹⁰⁷

The Government receives non-tax revenue from pearl companies in cash from the citizen companies and in-kind from foreign joint venture companies. Income tax on taxable income and capital gains, commercial tax, withholding tax are collected in cash by the IRD. Customs duty is collected in cash upon import by the MCD. There is no specific goods tax on pearl.¹⁰⁸

The following taxes are collected from the companies:¹⁰⁹

- Income tax on taxable income is 25% unless there is tax exemption granted through the MIC Permit. Capital gains tax on gains derived from the disposal of capital assets are 10%.
- Commercial tax is 5% on domestic sales of minerals if revenue exceeds MMK 20 million in the FY 2016-2017. No commercial tax is collected on export of pearl.

In addition to the taxes, the government receives application fee, royalty, dead rent and license fee from the permit holders and state contributions from the MPE. Only production split is received as in-kind from the foreign joint venture companies. 75% of the pearl produced is allowed to be exported.

2.1.3 Duties and Functions of Government Agencies – The Institutional Framework

In this section, structure, the duties and functions of relevant ministries and departments for the extractive industry are discussed. In addition, the Treasury Department, the Budget Department, the MCD and the IRD under Ministry of Planning and Finance were elaborated in the later sections.

2.1.3.1 Oil and Gas Sector

The Ministry of Energy (MOE) was established on 12 April 1985 through an Order No. (5/ 85) with the Minister Office, the Energy Administration Department, the Myanmar Oil Corporation, the Petrochemical and Gas Corporation, the Petroleum Products Corporation and the Electricity Corporation. The Ministry of Electricity was established on 16 November 1997 through issuance of a Letter No. (40/ 97 AhPhaYa 97 (3) and the Ministry of Energy was thereafter restructured with the Minister Office, the Energy Administration Department, the Myanmar Oil and Gas Enterprise (MOGE), the Myanmar Petrochemical Enterprise and the Myanmar Petroleum Products Enterprise. The Ministry of Electricity and Energy (MOEE) was formed on 1st April 2016 combining the Ministry of Electric Power (MOEP) and the Ministry of Energy (MOE)¹¹⁰.

¹⁰⁴<https://www.globalwitness.org/en/press-releases/myanmars-flawed-new-gemstone-law-set-to-restart-gemstone-permits-in-tainted-sector/>

¹⁰⁵http://www.mining.gov.mm/LAWS_mm/1.LAWS_mm/Pearl_Law_Myanmar.pdf

¹⁰⁶http://www.mining.gov.mm/LAWS_mm/1.LAWS_mm/The_Myanmar_Pearl_Rules.pdf

¹⁰⁷http://www.mining.gov.mm/LAWS_mm/1.LAWS_mm/Pearl_Law_Myanmar.pdf

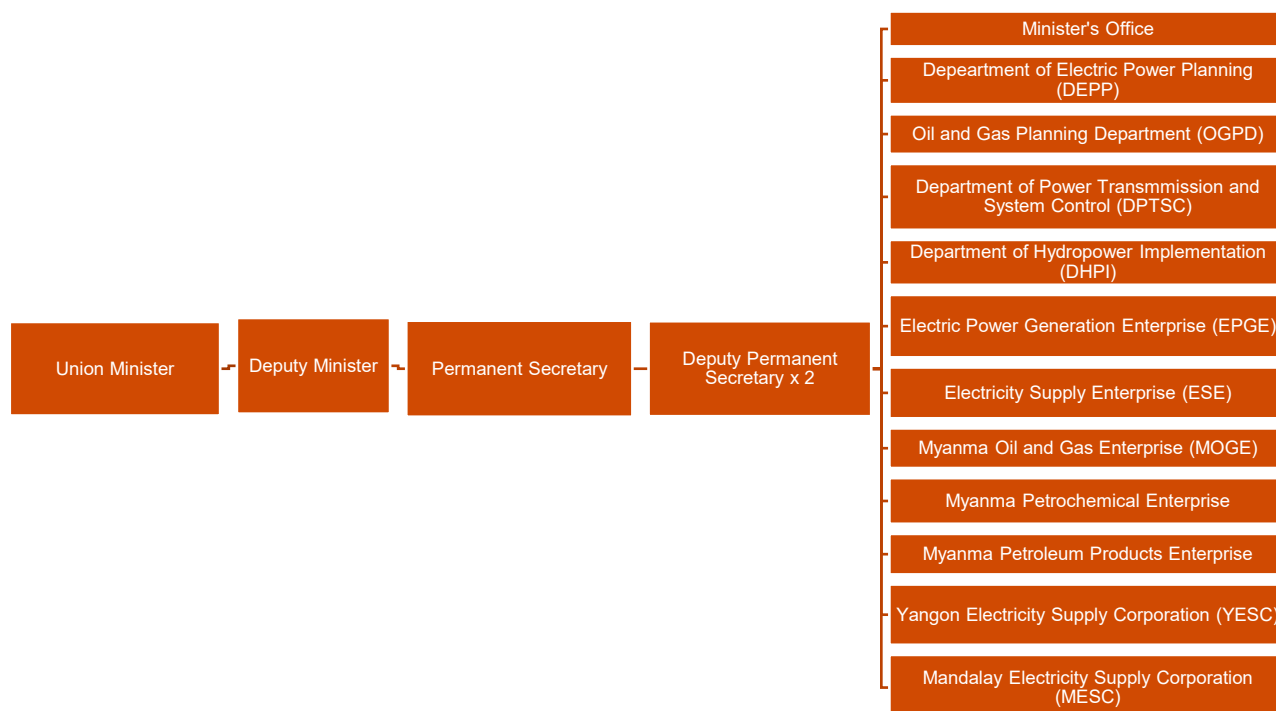
¹⁰⁸2016 Union Tax Law

¹⁰⁹2016 Union Tax Law

¹¹⁰<http://www.moee.gov.mm/en/ignite/page/3>

The MOEE has the Minister's Office and two main sectors; electricity sector and oil and gas sector. It was further divided into four departments, five SOEs and two corporations. Organisation structure can be seen in the figure below¹¹¹.

Figure 8 Organogram of Ministry of Electricity and Energy



Under the electricity sector, there are three departments; Department of Electric Power Planning (DEPP), Department of Electric Power Transmission and System Control (DPTSC), Department of Hydro Power Implementation (DHPI); two enterprises; Electric Power Generation Enterprise (EPGE) and Electricity Supply Enterprise (ESE); and two corporations; Yangon Electricity Supply Corporation (YESC) and Mandalay Electricity Supply Corporation (MESC)¹¹².

Under the oil and gas sector, there are one department, the OGPD; and three enterprises, the MOGE, the MPE and the MPPE.¹¹³

The oil and gas sector is responsible for carrying out exploration and production of crude oil and natural gas, refining, manufacturing of petrochemicals and transportation and distribution of petroleum products.

The OGPD is formerly known as the Energy Planning Department and it is a focal point for international energy cooperation and mainly responsible for policy formulation of oil and gas sector and coordination, discussion and negotiation of oil and gas sector development programme. The OGPD is responsible for supervision on implementation of the Ministry's policy, plans and guidelines and is involved in drafting energy policy, coordinating and supervising on entering into agreement in oil and gas sector, scrutinising in exploration, exploitation and production of oil blocks and monitoring implementation of oil and gas projects as well as promoting transparency and international standards in the energy sector.¹¹⁴ The OGPD is also responsible for tendering oil and gas blocks in Myanmar and managing the PSCs, exploration and production and sale of oil and gas together with the MOGE.¹¹⁵

The OGPD has three divisions; Planning and Economic Division, Legal and Production Division and General Administration Division.

¹¹¹ <http://www.moee.gov.mm/en/ignite/page/3>

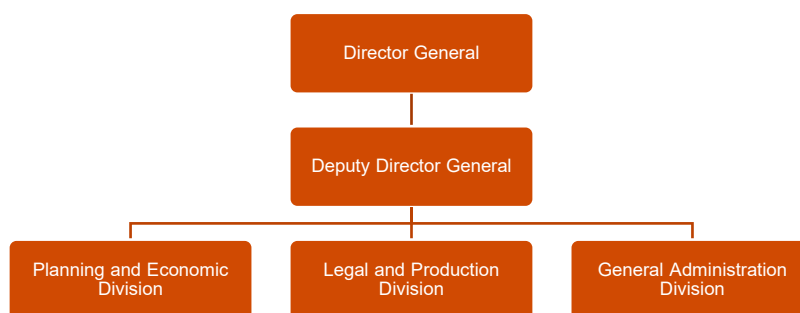
¹¹² <http://www.moee.gov.mm/en/ignite/page/3>

¹¹³ Letter OuNyaMa-2/6 (0647) 2018 from the MOGE dated 02 November 2018

¹¹⁴ www.moee.gov.mm

¹¹⁵ Letter OuNyaMa-2/6 (0647) 2018 from the MOGE dated 02 November 2018

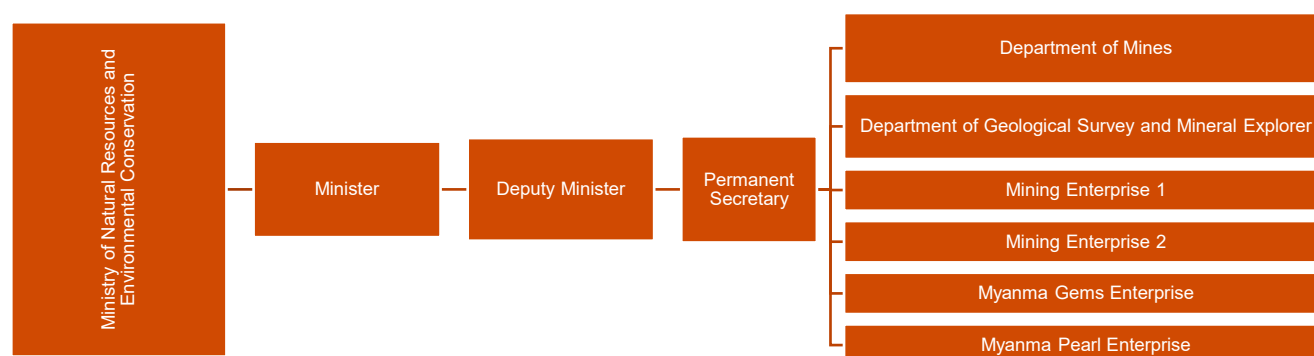
Figure 9 Organogram of the OGPD¹¹⁶



2.1.3.2 Minerals, Gems and Jade and Pearl

The main objectives of the mining sectors are to implement the Mineral Resources Policy of the Union Government, fulfil the domestic requirements and increase export through production of more mineral products, promote investment in mineral resources, supervise, scrutinise and approve applications, carry out the development, conservation, utilisation and research work of mineral resources and protect the environmental conservation.

Figure 10 Organogram of Mining



*The Union Minister's Office is responsible for administration of mineral policy and planning mineral legislation, mine inspection and safety, mineral conservation and environmental conservation, scrutinising permit application, monitoring production operations, promoting foreign investments and gems and jewellery marketing and sustainability of the mining sector.*¹¹⁷

The table below sets out their respective responsibilities.

¹¹⁶ <http://www.moe.gov.mm/en/ignite/page/86>

¹¹⁷ http://www.mining.gov.mm/Minister_Office_mm/4.Minister_Office_mm/Details.asp?submenuID=6&sid=136

Table 22 Functions of Various Departments under Ministry of Natural Resources and Environmental Conservation¹¹⁸

Sr.	Departments	Responsibilities	
1	Department of Mines (DOM)	<ul style="list-style-type: none"> • Mining policy • Monitoring • Collecting taxes and revenue • Salt and other mineral salts • Chief Inspector 	
2	Department of Geological Survey and Mineral Exploration (DGSE)	<ul style="list-style-type: none"> • Geological Survey • Minerals exploration 	
3	Mining Enterprise 1 (ME 1)	<ul style="list-style-type: none"> • Cadmium • Copper • Antimony • Chromium • Lead • Silver • Tellurium • Nickle • Magnesium • Manganese dioxide 	<ul style="list-style-type: none"> • Mercury • Iron • Zinc • Aluminium • Arsenic • Coal • Graphite • Glass sand • Limestone • Barite
4	Mining Enterprise 2 (ME 2) ¹¹⁹	<ul style="list-style-type: none"> • Tin • Tantalum-niobium • Titanium • Vanadium • Bismuth • Molybdenum • Rare earth elements • Radioactive minerals 	<ul style="list-style-type: none"> • Rubidium • Lithium • Hafnium • Indium • Gold • White gold • Tungsten • Heavy metal
5	Myanma Gems Enterprise (MGE)	<ul style="list-style-type: none"> • Ruby • Sapphire • Jade • Assorted gems 	
6	Myanma Pearl Enterprise (MPE)	<ul style="list-style-type: none"> • Pearl • Oyster shell 	

The Director General is the Chief Inspector of Mines under the Myanmar Mines Law and is responsible for scrutinising applications and granting of permits.¹²⁰

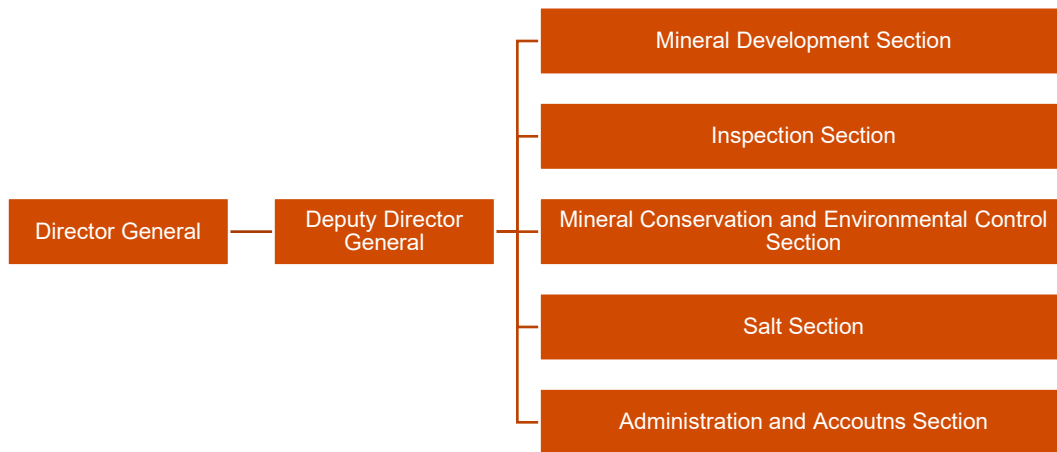
The DOM is composed of five sections; the Mineral Development Section, the Inspection Section, the Mineral Conservation and Environmental Control Section, the Salt Section and the Administration and Accounts Section.

¹¹⁸http://www.mining.gov.mm/Minister_Office_mm/4.Minister_Office_mm/Details.asp?submenuID=6&sid=62

¹¹⁹http://www.mining.gov.mm/ME-2_mm/1.ME-2_mm/Details.asp?submenuID=14&sid=114

¹²⁰http://www.mining.gov.mm/DM_mm/1.DM_mm/Details.asp?submenuID=8&sid=35

Figure 11 Organisation Structure of the DOM¹²¹



The duties and functions of the various sections under the DOM are as follows:

Table 23 Duties and Functions of Various Sections under the DOM¹²²

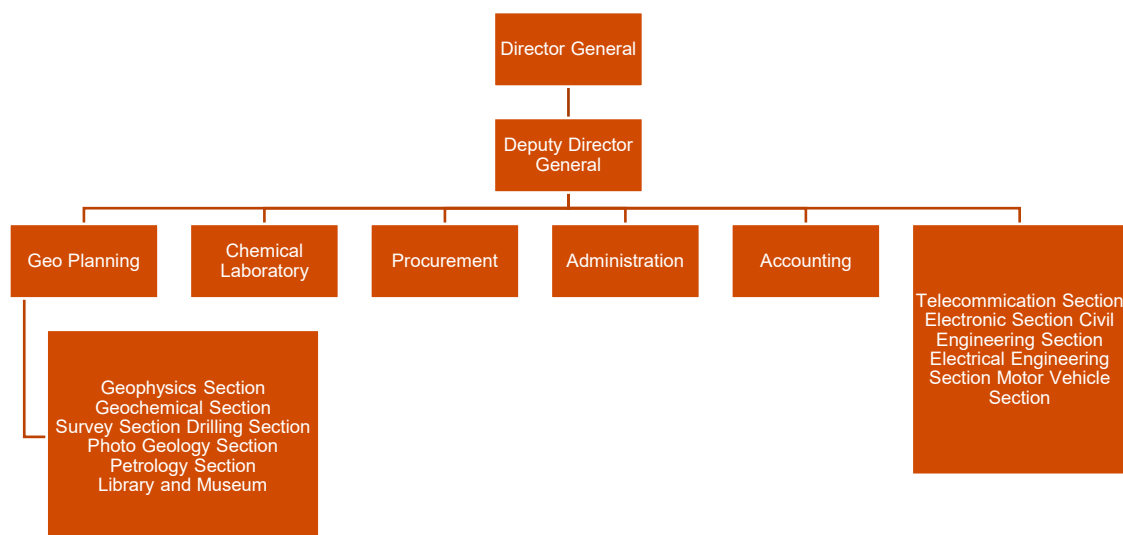
No.	Sections	Duties and Functions
1	Mineral Development Section	Increasing the development of the mineral sector as directed for local and Foreign investment.
		Scrutinising the application for any permit in according with Myanmar Mines Law.
		Amendment of promulgated laws and regulations as and when necessary so that they are efficient at all times and in any conditions.
		Corresponding and performing activities relating to international mining industry including ASEAN countries.
		Training technicians at all level of operation in mining sector so as to enhance their qualification and to proclaim information and the news.
		Carrying out co-operation on relief to increasing mineral product.
2	Inspection Section	Inspecting people, companies and associations that get the license granted
		Inspecting and reporting the inspection work
3	Mineral Conservation and Environmental Control Section	Carrying out for the inspection of Mineral conservation
		Protecting the environmental conservation works that may have detrimental effects due to mining operations and procession plants
4	Salt Section	Industrially used salt required for industries and annually consumer's salt- supplement-demand are now being fulfilled and permitted licenses on crude salt, table-salt, extra-mineral salts and fine salt productions are issued. For preventing the entire nation from iodine deficiency and its contribution of universal salt iodization system has been practiced by making collaborative and co- operative effort with Ministry of Health and UNICEF as well. Laboratory investigations are performed for detection of concentration of Sodium Chloride (NaCl) and potassium Iodide (KIO3) in line with standardisation. For consumer's annual salt demand and industrially employed raw salt extract demand, private salt manufacturing sectors are supervised. Technical support is distributed for production of solar salt, various mineral salt and iodated salt. In accordance with the 2008 constitution law, Salt and by-product of taxes are supervised by the salt industry
5	Administration Section	It is responsible for staff affairs, administration for liaising with external departments, security, sports, payroll and expenditure, finance and budget affairs of the Ministry.

¹²¹http://www.mining.gov.mm/DM_mm/1.DM_mm/Details.asp?submenuID=8&sid=166

¹²²http://www.mining.gov.mm/DM_mm/1.DM_mm/Details.asp?submenuID=8&sid=180

The Department of Geological Survey and Mineral Exploration (DGSE) is responsible for country wide geological mapping, mineral prospecting, exploration and joint venture with foreign companies in mineral exploration and feasibility study. The DGSE has seven activities; geology, geochemistry, geophysics, analytical laboratory, drilling, surveying and hydrogeology and provides five types of services; geological survey, mineral deposit evaluation, laboratory and pilot plant test work, feasibility and technical assistance.¹²³ The DGSE was composed of five divisions; Geopanning Division, Chemical Laboratory Division, Procurement Division, Administrative Division and Accounting Division.

Figure 12 Organogram of the DGSE



The main functions of the DGSE are geological mapping, mineral prospecting, mineral exploration, topographic survey, detail geological mapping, geochemical survey, geophysical survey, drilling, data assessment and evaluation and laboratory analysis¹²⁴.

2.1.3.3 Ministry of Planning and Finance

The Ministry of Planning and Finance (MOPF) was formed by merging two ministries, Ministry of National Planning and Economic Development and Ministry of Finance in 2016. There are 18 departments but the report covers only the Treasury Department, the Budget Department, the Myanmar Customs Department (MCD) and the IRD that are relevant to the extractive industry.¹²⁵

The Treasury Department was organised on 1 September 2014 and comprised of six divisions, Cash Management Division, Debt Management Division, Accounting and Reporting Division, Treasury Policy and Quality Promotion Division, Information Technology Division and Administration and Accounts Division.¹²⁶ The department is headed by the Director General and is supported by two Deputy Director Generals. Their main policy is to develop a modernised public finance management system to prioritise short-term cash calculation for union level ministries and organisations for continuous development of financial management and improve Treasury bill auction and modernised consolidation and reporting. The main objective is to strengthen the Union Budget and adopt an efficient public finance management system. The main functions are set out as below:¹²⁷

- (1) Implementing the Myanmar Modernisation of Public Finance Management project
- (2) Enacting Public Debt Law and Issuing related rules and regulations
- (3) Carrying out Debt Sustainability Analysis in continual basis
- (4) Strengthening Cash and Debt Management Operations
- (5) Implementing Cash Plans
- (6) Updating Public Procurement Rules and Regulations and drafting the Procurement Law
- (7) Improving the government financial reporting system
- (8) Ensuring to develop the market-based Government Security auctions.

¹²³ http://www.mining.gov.mm/DGSE_mm/1.DGSE_mm/Details.asp?submenuID=10&sid=36

¹²⁴ http://www.mining.gov.mm/DGSE_mm/1.DGSE_mm/Details.asp?submenuID=10&sid=105

¹²⁵ <http://www.mopf.gov.mm/my/page/ministry/401>

¹²⁶ <https://www.mopf.gov.mm/en/page/finance/ငွေတိုက်ညှိးစီးဌာန/193>

¹²⁷ <https://www.mopf.gov.mm/en/page/finance/%E1%80%84%E1%80%BD%E1%80%B1%E1%80%90%E1%80%AD%E1%80%AF%E1%80%80%E1%80%BA%E1%80%A6%E1%80%B8%E1%80%85%E1%80%AE%E1%80%B8%E1%80%8C%E1%80%AC%E1%80%94/575>

The Budget Department has three objectives, to identify the allocation of the expenditure ceilings in accordance with Medium Term Fiscal Framework (MTFF) and stabilising under 5% of deficit to GDP ratio, to report on the financial institutions of the State fund and to continue the acceleration of task implementation by identifying the necessary prior plans for deficit financing in time when deficit occurs along knowing prior the situation of State fund. The department adopts an expenditure policy which focuses on prioritising various expenditure that is beneficial for the citizens.¹²⁸

The main functions of the Budget Department are set out as below:¹²⁹

- (1) Compiling and preparing the Union Budget Bill together with the annual budget statement of Union Level departments and organisations and performing to be able to submit it to the Union Minister's Office of the Ministry of Planning and Finance, the Financial Commission, the Union Government and the Pyidaungsu Hluttaw.
- (2) Compiling and preparing the Supplementary Appropriation Bill together with the Supplementary Grant of Union Level departments and organisations and performing to be able to submit it to the Union Minister's Office of Ministry of Planning and Finance, Financial Commission, the Union Government and the Pyidaungsu Hluttaw.
- (3) Compiling the accounts which are surrendered to the General Reserve Fund and transferred from the General Reserve Fund by the respective Union Level departments and organisations and performing to be able to submit to the Minister's Office of Ministry of Planning and Finance and the President's Office.
- (4) Performing the functions related to Intergovernmental fiscal relations between Union and Regions or States in order to strengthen.
- (5) Formulation of Foreign Exchange Budget (FE Budget) after scrutinising foreign exchange revenue and expenditure included in annual budget which submits by Ministries & Organisations.
- (6) Estimating for allocation of Foreign Exchange based on the current and capital expenditure of Departments and Organisations and purchasing of materials from abroad, contribution annual fee to international organisations, issuing FE permits due on principal and interest payment for borrowing external loans.
- (7) Scrutinising matters related to Foreign Exchange in line with financial regulations and issuing directives if necessary.
- (8) Reporting and analysing the function of the fiscal policy, expenditure policy and Financial Situation of State Economic Enterprises which lead to macroeconomic stability in the long term and to improve the economic growth.
- (9) Confirming the preparing processes and activities of Extractive Industries Transparency Initiative (EITI) report, reviewing a draft EITI report, approving EITI report, and assisting in publishing the EITI Report in line with the Standard Schedule laid down by International EITI Board.
- (10) Implementing the budget reform missions of the Budget Department of the Ministry of Planning and Finance by communicating with international organisations.
- (11) Implementing as a prime mover of Myanmar Modernisation of Public Finance Management Project.
- (12) Scrutinising in accord with financial regulation and civil service regulation, and issuing directives, orders, procedures in occasionally.

The MCD's main policy is to improve trade and to collect Customs duty through simple and easy customs procedures. The main objective is to provide secure international trade and protect society through cooperation. The MCD has six objectives, to collect Customs duty on imports and exports, to enforce existing laws, check compliance and take action against the failure, to document import and export statistics, to modernise customs procedure in international customs practices, to cooperate with law enforcement bodies and to support trade development and economic development.¹³⁰

The IRD was formed on 1 October 1972 and it was responsible for ten types of taxes; income tax, profit tax, goods and services tax, excise tax, state lottery tax, stamp duty, land tax, water tax and dam tax, fishery tax, and mineral tax. Five taxes were transferred to the relevant departments on 1 April 1989 after the adoption of the market economy. Land tax, water tax and dam tax, excise tax and mineral tax were transferred to the General Administration Department and fishery tax was transferred to the Fishery Department. The profit tax law was revoked by Pyidaungsu Hluttaw on 29 September 2011. The IRD has been collecting four types of taxes; income tax, commercial tax, state lottery tax and stamp duty. Specific Goods Tax Law was promulgated from 01 April 2016. The Director General is in-charge of the department.¹³¹

There are 13 directorates under the IRD; Office of the Director General, Human Resources and Support Services Directorate, Finance Directorate, Statistics Directorate, Inspection Directorate, Information and Technology Directorate, Operation Management Directorate, Design and Monitoring Directorate, State Lottery Directorate, Legal Affairs Directorate, Tax Policy and Research Directorate, Training Directorate and Tax Reform Directorate.¹³²

¹²⁸<https://www.mopf.gov.mm/en/page/finance/%E1%80%9B%E1%80%9E%E1%80%AF%E1%80%B6%E1%80%B8%E1%80%99%E1%80%BE%E1%80%94%E1%80%BA%E1%80%81%E1%80%BC%E1%80%B1%E1%80%84%E1%80%BD%E1%80%B1%E1%80%85%E1%80%AC%E1%80%9B%E1%80%84%E1%80%BA%E1%80%B8%E1%80%A6%E1%80%B8%E1%80%85%E1%80%AE%E1%80%B8%E1%80%8C%E1%80%AC%E1%80%94/232>

¹²⁹<https://www.mopf.gov.mm/en/page/finance/%E1%80%9B%E1%80%9E%E1%80%AF%E1%80%B6%E1%80%B8%E1%80%99%E1%80%BE%E1%80%94%E1%80%BA%E1%80%81%E1%80%BC%E1%80%B1%E1%80%84%E1%80%BD%E1%80%B1%E1%80%85%E1%80%AC%E1%80%9B%E1%80%84%E1%80%BA%E1%80%B8%E1%80%A6%E1%80%B8%E1%80%85%E1%80%AE%E1%80%B8%E1%80%8C%E1%80%AC%E1%80%94/234>

¹³⁰<https://www.mopf.gov.mm/my/page/finance/%E1%80%A1%E1%80%80%E1%80%B1%E1%80%AC%E1%80%80%E1%80%BA%E1%80%81%E1%80%BD%E1%80%94%E1%80%BA%E1%80%A6%E1%80%B8%E1%80%85%E1%80%AE%E1%80%B8%E1%80%8C%E1%80%AC%E1%80%94/313>

¹³¹<https://www.mopf.gov.mm/my/page/finance/%E1%80%95%E1%80%BC%E1%80%8A%E1%80%BA%E1%80%90%E1%80%BD%E1%80%84%E1%80%BA%E1%80%B8%E1%80%A1%E1%80%81%E1%80%BD%E1%80%94%E1%80%BA%E1%80%99%E1%80%BB%E1%80%AC%E1%80%B8%E1%80%A6%E1%80%B8%E1%80%85%E1%80%AE%E1%80%B8%E1%80%8C%E1%80%AC%E1%80%94/270>

¹³²<https://www.mopf.gov.mm/my/page/finance/%E1%80%95%E1%80%BC%E1%80%8A%E1%80%BA%E1%80%90%E1%80%BD%E1%80%84%E1%80%BA%E1%80%B8%E1%80%A1%E1%80%81%E1%80%BD%E1%80%94%E1%80%BA%E1%80%99%E1%80%BB%E1%80%AC%E1%80%B8%E1%80%A6%E1%80%B8%E1%80%85%E1%80%AE%E1%80%B8%E1%80%8C%E1%80%AC%E1%80%94/270>

The main functions of the IRD are to collect tax efficiently, to develop a tax system that is suitable for market economy, to control inflation and to control the quantity of Myanmar Kyat circulating in the economy. The strategic objectives of the IRD are to improve integrity, transparency and accountability, modern tax laws, improve the structure of the IRD to better lead and manage, improve communication and change management processes, develop IRD staff and recruit qualified staff, modernize their processes and procedures, improve the services to the taxpayers and take strong enforcement action those who do not comply with the tax laws, introduce a modern world standard information technology system and progressively implement self-assessment system into Myanmar tax system. IRD's strategic outcomes are to maximise revenue, broaden the tax base, maintain and improve compliance and modernise tax administration.

There are five main functions, to support economic and social development through efficient tax collections under tax laws, educate taxpayers and provide service in order for them to pay tax voluntarily, perform tax assessment under tax laws in order to get confidence from the public on tax officers, to modernise tax offices with technology and to train staff to be humble, knowledgeable, educated. The main objectives are to develop a balanced budget system and control inflation, to control domestic consumption, investment and savings with a taxation system, to get commodity prices stable, to balance wealth, to support economic development, to support implementation of economic objectives of the Union and to protect domestic industries.¹³³

2.1.4 License Allocation

This section discusses license application, screening, awarding and transferring process in oil and gas, minerals, gems and jade and pearl.

2.1.4.1 Oil and Gas Sector

2.1.4.1.1 Upstream Oil and Gas

Based on the list of oil blocks provided in the previous report and that provided by the MOGE for the purpose of this report, there was no bidding round or no direct negotiation for open blocks during FY 2016-2107.

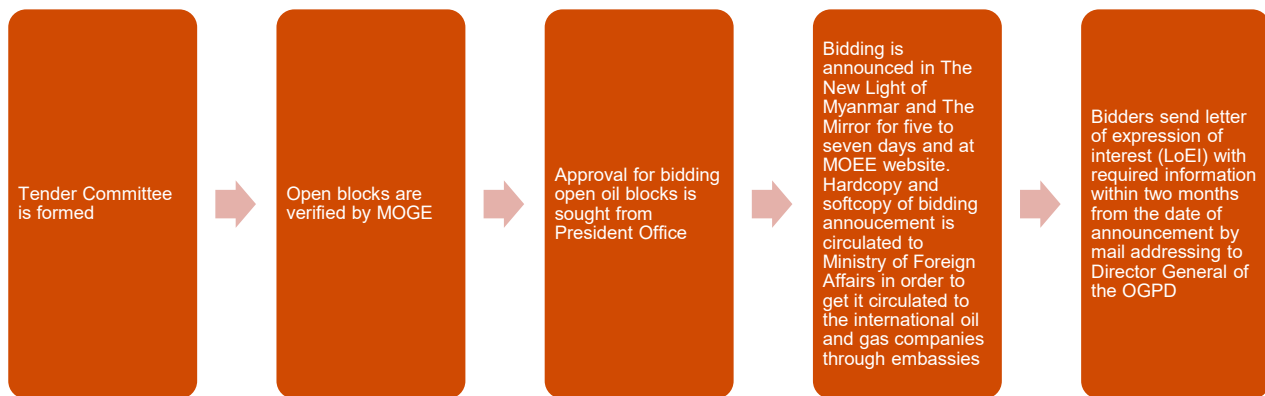
The MOGE has the right to explore, prospect or mining oil and gas as well as to monitor and manage petroleum development operations under section (11) subsection (1) of the 1962 Myanmar Petroleum Concession Act. In addition, the MOGE has the right to enter into a joint venture agreement through the agreement of the Union Government under section (11) subsection (4) of the 1962 Myanmar Petroleum Concession Act. The MOGE has an exclusive right to carry out all oil and gas operations in Myanmar under 1962 Myanmar Petroleum Concession Act and is responsible for selecting companies to develop projects. However, current legal framework does not have any information on application, screening or awarding oil and gas blocks and it is at its absolute discretion of the MOGE under the instructions and guidelines from the Union Ministry.

There was no oil and gas bidding process but through direct negotiation with the companies before 2011, the MOE (later known as the MOEE) awarded PSCs through the approval from the Union Government. The MOE (later known as the MOEE) set up an open block bidding process and evaluation and negotiation procedure for awarding PSCs. Offshore open blocks were open for bidding on 11 April 2013 and the last completed bidding round for onshore open blocks was opened on 17 January 2013. Open blocks bids are announced internationally through different channels.

Bidders are requested to send a letter of expression of interest, company registration/ incorporation certificate, memorandum of association, articles of association and financial statements as well as an endorsement for authenticity by the respective Embassy of the Republic of the Union of Myanmar. The initial pre-qualification process filters the completeness of the documentation submitted as well as financial capability and technical competency of the bidders. In terms of technical competency, competency to operate as an operator, exploration experience and well drilling experiences are checked.

¹³³<https://www.mopf.gov.mm/my/page/finance/%E1%80%95%E1%80%BC%E1%80%8A%E1%80%BA%E1%80%90%E1%80%BD%E1%80%84%E1%80%BA%E1%80%B8%E1%80%A1%E1%80%81%E1%80%BD%E1%80%94%E1%80%BA%E1%80%99%E1%80%BB%E1%80%AC%E1%80%B8%E1%80%A6%E1%80%B8%E1%80%85%E1%80%AE%E1%80%B8%E1%80%8C%E1%80%AC%E1%80%94/270>

Figure 13 Process of Oil Block Bidding¹³⁴



Although competitive bidding was not common in the country's oil and gas sector in the past, the 2013 and 2014 bidding rounds adopted a pre-qualification process. During these bid rounds for onshore and offshore acreage, the MOGE was responsible for organising and managing bid rounds for oil awards, including the evaluation and selection process and negotiation of contracts with successful bidders. Companies that sent a letter of expression of interest (LoEI) are assessed on the completeness of the documents submitted with the LoEI. Those who do not submit the complete list of required documents are rejected at this juncture and those who submitted complete list of required documents along with endorsement from Embassy of the Republic of the Union of Myanmar residing in the relevant country where the company is situated.¹³⁵

Companies that submitted a complete list of required document were further assessed on their financial capability based on their financial statements and technical competency in terms of experience as an operator and experience in exploration and in drilling. This process is called pre-qualification screening.¹³⁶

18 blocks were launched for bidding in 2011 and nine blocks were awarded to international companies in 2011. MOGE announced 18 onshore blocks in second round bidding in 2013 where expression of interest was due on 16 March 2013. Press release dated on 10 October 2013 said that 78 letters of expression of interest were received. Of which 59 bidders were shortlisted and 26 of them were shortlisted by the committee led by Deputy Ministers of Ministry of Energy and they submitted 53 bids for 16 blocks. 16 onshore blocks were awarded to 11 bidders on 10 October 2013.¹³⁷

Pre-qualification criteria were provided a checklist of required documents; the endorsement of respected Myanmar Embassies, experience of Oil and Gas extraction, technology and financial capabilities as per the Certificate of Incorporation, Articles of Association, Memorandum of Association, latest Annual Report, latest Financial Statement.¹³⁸ Details of the bid criteria used for the evaluation of the bids are presented in the Appendix 20 of the report.

Pre-qualified companies are invited to bid and OGPD shows them overview data, explains terms and conditions that are required to be submitted with final proposal and model production sharing contracts (PSCs). Each company can propose up to three oil blocks. Onshore and shallow water oil blocks require foreign companies to partner with at least one of the local companies that register for interest in exploration, drilling and production of oil and gas through a MoU in order for local companies to learn from foreign companies. Local partners acquired 5% to 15% interest in the block.

A terms and conditions form and a list of registered local companies are announced on the MOEE website and hard copies are handed to the companies that has passed pre-qualification process. A list of proposal submitted are also announced on the website as well as in the local newspapers. Final proposals are opened by the Tender Selection Committee led by the Deputy Ministers. Scores are given in terms of work programme and expenditure during exploration period prescribed by the OGPD, production split, signature bonus and working experience and financial standing of the proposing company. Selected candidates are announced on the website and informed.

¹³⁴Letter of explanation from the MOGE

¹³⁵Letter of explanation from the MOGE

¹³⁶Letter of explanation from the MOGE

¹³⁷Letter of explanation from the MOGE

¹³⁸ Letter of explanation from the MOGE

As per last year's report, the MOGE adopted the following bid assessment criteria from the 2013 bidding round:¹³⁹

- Technical capability;
- Financial capability;
- Prior experience in Myanmar;
- Financial terms for the block; and
- Experience relevant to the block (e.g. deep-water).

Based on the previous MEITI report, MOGE weighted 60% on work programme and expenditure, 20% on production split, 10% on signature bonus and working experience and 10% on financial standing of offshore oil block PSC proposals. However, we do not see any legal basis for the criteria and weighting for those criteria and weightings are publicly available. MOGE required onshore and shallow water blocks bidders to partner with at least one Myanmar citizen company that was registered with the OGPD (was formerly known as Energy Planning Department).

The MOEE requested comments from the Union Attorney General Office, the Union Auditor General Office, the Ministry of National Planning and Economic Development (later combined into the Ministry of Planning and Finance), the MOPF and the CBM for the draft contract upon agreement with the bidders.¹⁴⁰

Draft contracts were then submitted to the Economic Committee Cabinet and MIC for approval. Successful bidders entered into the PSCs upon approval from Economic Committee Cabinet and MIC.¹⁴¹

The list of the selected bidders was announced on the MoEE Website and held a press release for announcement of selected bidders on 26 March 2014 but the list is not available at the time of reporting.

The current model PSC requires both a parent company guarantee and a performance bank guarantee to be issued with a licence to explore for gas. A performance bank guarantee, issued by a corresponding bank of Myanmar Foreign Trade Bank in respect of the minimum expenditure commitment of the contractor, is required to be provided within 30 days after commencement of the operation date. 26 companies submitted 54 final proposals for 16 plots and those were announced on the website of MoEE but the list is not available at the time of reporting.

The press release said that final proposals were screened with selection criteria such as exploration period, procedures, and expenditures, production sharing ratios, experience in the industry and financial strength. The list of 11 companies selected for 16 plots was published on the website of the MoEE at that time but the list is not available at the time of reporting.

The terms and conditions of PSC are negotiated and agreed between the companies and the OGPD. Agreed terms and conditions are required to be reviewed by Union Attorney General Office, Union Office of Auditor General, Ministry of Planning and Finance and Central Bank of Myanmar before contracts are awarded.

Offshore oil blocks are awarded with PSCs and onshore oil blocks are awarded with PSCs or PCCs or IPRs. There used to be Reactivation Agreement but it is no longer in use.

Another round of bidding for 11 shallow water block PSCs and 19 deep-water blocks PSCs took place in 2013 where expressions of interest were due on 14 June 2013 and 61 bidders were shortlisted. Of which 30 shortlisted bidders submitted bids on 15 November 2013 and 10 shallow water blocks and 10 deep water blocks were awarded to 13 of shortlisted bidders in March 2014. Deepwater block bidders do not need to partner with a Myanmar citizen company while shallow water block bidders require to partner with a Myanmar citizen company. Myanmar citizen companies are found holding significant interests in 2013 bidding round. According to a study conducted by Global Witness, 29 of the 36 blocks awarded by MOGE in the 2013-14 rounds featured a Myanmar company as a minority partner. Pre-qualification criteria used were the same, requiring to submit an endorsement of respected Myanmar Embassies, experience of Oil and Gas extraction, technology and financial capabilities as well as the Certificate of Incorporation, Articles of Association, Memorandum of Association, latest Annual Report and latest Financial Statement. Details of the bid criteria used for the evaluation of the bids are presented in the Appendix 20 of the report.

MOGE announced that another bidding round would not begin until 2016 in May 2015 but there is no new bidding round after 2013 bidding round. In general, the next bidding round is now expected in April 2019. It is important to separate the regulator role and operator role played by MOGE in order to eliminate any perceived or real conflict of interest.

¹³⁹ Letter of explanation from the MOGE

¹⁴⁰ Letter of explanation from the MOGE

¹⁴¹ Letter of explanation from the MOGE

The transferor and transferee sign documents on the transfer or exchange of oil blocks and these are submitted to MOGE. The MOGE consent is required for transfer of interest. The MOGE checks with the IRD whether there are any taxable gains resulting from the transaction. The MOGE seeks approval from the Leading Committee of the MOEE and then from the Executive Committee when the IRD reply is received. Approval is sought from the MIC after receiving approval from the Executive Committee. It usually takes about 90 days in order to get written consent from the MOGE on transfer. The MOGE confirmed that there was no transfer or exchange of interest in a block taken place during FY 2016-2017.

The oil blocks awarded from 1996 to FY 2016-17 is set out in Appendix 10.

There were five offshore blocks relinquished during FY 2016-2017. The MOGE confirmed that all the relinquished blocks are abandoned under the terms of PSC before expiry.

Table 24 List of Oil Blocks Relinquished during FY 2016-2017

No.	Block	Type	Location	Termination Date	Contractor
1	M-4	Shallow water Offshore	Mottama	02-Mar-17	Oil India Limited
2	M-17	Shallow water Offshore	Tanintharyi	31-Jan-17	Reliance Industries Ltd.
3	M-18	Shallow water Offshore	Tanintharyi	31-Jan-17	Reliance Industries Ltd.
4	MD-*	Deepwater Offshore	Tanintharyi	14-May-16	PTTEP SA
5	YEB	Shallow water Offshore	Tanintharyi	02-Mar-17	Oil India Limited

There are six onshore oil blocks and two offshore oil blocks relinquished after FY 2016-2017.

Table 25 List of Oil Blocks Relinquished after FY 2016-2017

No.	Block	Type	Location	Termination Date	Contractor
1	PSC-E	Onshore	Myingyan	9-Dec-17	Asia Orient International Ltd. (CJs Oc Nobel Oil)
2	PSC-F	Onshore	Ngahlaing Dwin	08-Sep-18	North Petro-Chem Corporation Myanmar Ltd (NPCMM)
3	PSC-G	Onshore	Taung Dwin Gyi	31-Aug-18	PTTEP SA
4	IOR-5	Onshore	Htantabin	30-Jun-18	Petronas Carigali Myanmar Inc (PCMI)
5	RSF-9	Onshore	Pylo-Paukkaung	07-Jun-17	Geopetrol International Holding Inc.
6	EP-2	Onshore	Aung Lan	31-Aug-18	PTTEP SA
7	M-2	Shallow water Offshore	Mottama	30-Sep-17	Petrovietnam Exploration Production Corporation
8	M-7	Shallow water Offshore	Mottama	29-Nov-17	Tap Energy (M-7) Co., Ltd. (Statoil)

2.1.4.1.2 Mid-stream Oil and Gas

Oil and gas transportation is regarded as mid-stream and there are five oil and gas companies operating in the mid-stream during 2016-17. All hold interest in the pipelines, Yadanar project is contracted with Moattama Gas Transportation Company (MGTC), Yetagun is contracted with Taninthayi Pipeline Company (TPC), Zawtika is contracted with Andaman Transportation Limited (ATL) and Shwe is contracted with South East Asia Gas Pipeline Co., Ltd. (SEAGP). South East Asia Crude Oil Pipeline Co., Ltd. (SEACOP) was set up to supply oil from Kyaukphyu to oil refinery in Yunan.

Upstream oil and gas companies from Yadana enter into Export Gas Sales Agreement (EGSA) with the buyer, PTTEP and Export Gas Transportation Agreement (EGTA) with MGTC where shareholders are the same with the same shareholdings. They also entered into production operating agreement and a Gas Pipeline Operating Agreement (GPOA) where Total E&P is the Operator. Gas produced from Yetagun was supplied to PTT, Petroleum Authority of Thailand through TPC and condensate is stored in Yetagun FSO vessel for domestic and international supplies. Zawtika project gets its gas transported through ATL.

2.1.4.1.3 Downstream Oil and Gas

Downstream oil and gas includes refineries, urea plants, LPG plants, methanol plant and bitumen plant operated by MPE and fuel stations operating under MPPE. There were over 200 applicants and 156 temporary small scale refinery licenses granted by MPE in 2016 with validity until 31 March 2017. License are granted to five regions. 126 licenses granted for Saggaing, 2 to Mandalay, 2 to Bago, 1 to Yangon and 25 to Ayeyarwaddy. Small scale is defined as 1,000 to 3,000 gallons per day of capacity. There were 2,004 fuel retail stations licensed as at December 2016 and the number increased to 2,065 as at 22 February 2017¹⁴².

¹⁴²<http://www.moee.gov.mm/mm/ignite/contentView/115>

Table 26 List of Region with the number of retails awarded by MPPE

No.	Region	Number of Retails	%
1	Mandalay	511	25.50%
2	Shan	320	15.97%
3	Bago	217	10.83%
4	Ayeyarwaddy	206	10.28%
5	Yangon	148	7.39%
6	Saggaing	136	6.79%
7	Magway	133	6.64%
8	Mon	94	4.69%
9	Kachin	72	3.59%
10	Naypyitaw	72	3.59%
12	Rakkhine	33	1.65%
13	Kayin	32	1.60%
14	Tanintharyi	16	0.80%
15	Kayah	13	0.65%
16	Chin	1	0.05%
		2,004	

2.1.4.2 Minerals

There were no mining permits allocated for minerals during FY 2016-2017.

The award of mining permits is governed by the Mining Rules 1996 where prospecting for minerals or carrying out mining operations or mineral prospecting operations without the authority of a mining permit or mineral licence is prohibited. The mineral prospecting permit has to be applied for first. Upon discovery of a mineral deposit, exploration and production permits can be applied for them consequently. Prospecting permits, exploration permits and feasibility study permits are granted by the MONREC and the DOM collects royalties, dead rent fees and license fees.

There are four types of mining permits granted by MONREC, prospecting permit, exploration permit, feasibility permit and large scale mining permit. Prospecting permit, exploration permit and feasibility study permits are granted for one year only and exploration permit can be extended two times. Integrated permit is for prospecting, exploration and production. Large scale mining permits are granted for 25 years. Companies are required to conduct prospecting, exploration and feasibility study with their own funding at their own risk. Mining permits are granted as follow:

Table 27 Types of Mining Permits, Terms and Areas

	Permit Type	Permit Term	Extension	Land Area
1	Prospecting permit	Up to 1 year	12 months	4,200 sq. km.
2	Exploration permit	Up to 3 years	One year twice	3,150 sq. km
3	Feasibility study	Up to 1 year	N/A	
4	Large scale mining permit	Up to 25 years	5 years each	Depends on investment and mineral deposit
5	Small scale mining permit	Up to 5 years	One year for four times	1 sq. km
6	Subsistence mining permit	Up to 1 year	N/A	N/A

Mineral mining permit applications are required to be addressed to the ME 1, the ME 2 and the DGSE depending on the type of minerals and type of mining activities. Applications with a proposed area that is free from existing permit areas are passed to Minister's Office. Regional Government Offices are then requested for comment on type of land and future plan. A Township office arranges field inspections and holds meetings to provide comment back to Minister's Office. A permit is approved by the Management committee of the MONREC if all the requirements are fulfilled. A prospecting permit application is made to the DGSE and permit is approved by the Management committee of the MONREC. Large Scale Mining Licenses require approval from the Union Government while industrial minerals can be approved by the MONREC.

Small scale mining applications for industrial minerals with an area of less than 247.1 acres, small scale gold with an area of less than 20 acres and other minerals with an area of less than 50 acres and gemstones with an area of less than one acre require Initial Environmental Examination (IEE) and large projects require a full Environmental Impact Assessment (EIA).

Mineral prospecting and mineral exploration permit application must use Form (1) where the following information is requested.

- (1) Name of applicant
- (2) Identification number
- (3) Address
- (4) Location of area (village, township, district, region)
- (5) Area (to be accompanied with a map scaled with 1 inch = 1 mile certified by Land Record Department)
- (6) Type of minerals to be prospected/ explored
- (7) Proposed period (up to one year for prospecting/ up to three years for exploration)
- (8) Financial capability (bank statement)
- (9) Technical competency (experience and work plan)
- (10) Proposed programme (management personnel, method, equipment, estimate expense per square km)
- (11) Evidence of mineral occurrence in the proposed area
- (12) Environmental conservation measures
- (13) Ancillary requirements and plans
- (14) History of permits held in the past
- (15) Employment and training plan

Large scale or small scale mineral production permit application must use Form (3) where the following information is requested:

- (1) Name of applicant
- (2) Identification number
- (3) Address
- (4) Name of shareholders holding more than 5% of interest
- (5) Location of area (village, township, district, region)
- (6) Area in square km (to be accompanied with a map scaled with 1 inch = 1 mile certified by Land Record Department)
- (7) Type of minerals to be extracted
- (8) Development period
- (9) Production period
- (10) For large scale mining applicants-
 - a. Estimate date of commencement of production
 - b. Estimate volume of monthly or yearly production
 - c. Type and size of mineral products to be produced
 - d. Estimated recovery of mineral products
 - e. Estimate capital investment
 - f. List of machinery equipment and services required for mineral production operation
 - g. Cost of production
 - h. Marketing arrangement for mineral products
 - i. Income and cash flow statements
 - j. Details of method, period required and source of fund
- (11) For small scale mining applicants –
 - a. Method of mining
 - b. Manpower
 - c. Machines
 - d. Production volume per year
 - e. Marketing and distribution of products
- (12) Rehabilitation and reclamation plan of land affected
- (13) Environmental conservation measures
- (14) Ancillary requirements and plans
- (15) History of permits held in the past
- (16) Employment and training plan

Foreign investments are submitted to the Union Government and permits are issued with the approval from the Executive Committee. Foreign companies have to send a meeting request letter to the Union Minister through the respective embassy in Myanmar via the Ministry of Foreign Affairs. The Union Minister or designated officials meet the investor where investment opportunities, type of minerals and area of mining are discussed. Field visits can be requested with a proposal letter, tentative trip schedule, recommendation letter from the Embassy of the concerned country, letter of undertaking for each personnel of the group and passport copy of individual.

After the field visit, an investor may send a proposal or letter of interest to DGSE if they would like to pursue the business. Proposals should include area, type of mineral, proposed activities (prospecting, exploration, and feasibility study), capital investment, technical competency, method of operations, duration and general terms along with company registration, company profile and other relevant facts about the company, recommendation and endorsement of the respective Embassy in Myanmar, financial bank statement, list of board of directors, initial work programme and map of proposed area with coordinates. Upon receiving approval from the Union Minister, investors negotiate the terms of agreement and prepare a draft agreement using the agreement model approved by the Union Minister and pass this to DGSE so that DGSE can submit the draft agreement to the Scrutinising Committee for assessment. A draft agreement is sent to the Union Attorney General Office and the Office of Auditor General for their recommendation after approval is sought from the Scrutinising Committee.

Investors are required to receive a recommendation letter from the regional government, Township Administration Department, Township Forestry Department and Township Land Record Department. The draft agreement and recommendation letter is submitted to the MIC and the investors are required to get a company registered at Department of Investment and Companies Administration. The MIC sends the application to the cabinet after approval is sought and issues the MIC permit so that the investor and the DGSE sign the agreement and the DOM issues the respective Prospecting, Exploration or Feasibility Study Permit.

Investors are required to start the work programme within a month and submit extension request within 3 months before expiry. An investor is required to return the permit within a month after expiry. If the investor decides to start production, necessary permits are applied at the concerned enterprises.

Figure 14 Application Process of Foreign Investment at DGSE



The screening process focuses on the technical and financial capacity of applicants, revenue and other benefits such as employment opportunity for local communities that the project can bring as well as potential social and environmental impact from the project. Assessment criteria and the weighting on each criteria on mining permits are not publicly disclosed.

Permit application forms and procedures along with dead rent fees and royalty can be downloaded from the mining website¹⁴³. The DOM has made laws, rules and notifications publicly available on their website. Namatu Bawdwin, Sabe Taung, Kyisin Taung and Yadana Theingi mine projects are the largest mining projects.

The renewal of the expired permit for prospecting, exploration or production requires an application to the MONREC three months before the expiry of the permit. However, the MONREC has stopped awarding permits since 24 July 2016.

The transfer of a permit requires the consent of MONREC and the approval of the MIC. A permit holder is required to submit a transfer application with a copy of the draft transfer agreement.

¹⁴³http://www.mining.gov.mm/DM_mm/default.asp?page=6

The Myanmar mining cadastre along with gemstone cadastre development was commenced in 2016 with a diagnostic study. A consultant for the conceptual design was recruited in mid-2018.¹⁴⁴ The objective of the pre-cadastre is to create a complete and clean database (graphic and alphanumeric, linked into a GIS) where it should be properly loaded and codified all the existing mineral rights as well as the pending application.¹⁴⁵ The first phase of conceptual design of the Myanmar mining cadastre was carried out by the consultant, Mr. Enrique Ortega, between October 2017 and February 2018. His [report](#) identified the main deficiencies in the licensing methodology, proposed the required solutions and developed a roadmap for implementation of a new licensing methodology and a modern cadastre in Myanmar in consistent with the best international practice.

Two important milestones, formation of a pre-cadastre working group and formation of the mining cadastre working group within MONREC, have been achieved. With the support of a pre-cadastre consultant, cleaning and validation and verification of all mapping coordinates for mineral license data is almost complete. Simultaneously NRGi worked with the MGE to clean and verify the gemstone license database. However, the mapping and geodetic information that is required for the development of the cadastre is available for minerals only. The mining cadastre working group is comprised of 11 members from the DOM and DGSE as well as mineral and gems enterprises and is chaired by the Director General of the DOM.

Recruitment of a consulting firm for the second phase is in the process and the contract term will be from July 2019 to December 2020 when the cadastre is expected to be fully operational.

Although the cleaning and validation and verification of all mapping coordinates for mineral license data in the mining cadastre is almost completed, the coordinates data could not be used for the FY2016-2017 MEITI report as the mining cadastre data is classified by regions or state, and expired blocks (which were operating in FY2016-2017) are not included in the database.

2.1.4.3 Gems and Jade

There was no gems or jade permits granted during FY 2016-2017.

There are two types of permit/ license; gemstone production permit issued for exploration, production, trading, processing and retail; and a gemstone trading license issued for trading, processing and retail. Gemstone production permits are allocated to the companies formed with Myanmar citizens under the Myanmar Companies Act or the Special Company Act or to cooperative societies. Foreign investors are not allowed to participate in gems and jade mining as a permit holder or as a joint venture partner. There are three categories of blocks; discovered block, designed block and joint venture blocks. Discovered blocks are blocks discovered by individuals or companies while designated blocks are blocks identified and allocated to the companies by the MGE upon receiving instruction from the MONREC¹⁴⁶.

The 1995 Gemstone Law requires gemstone production permits awarded through competitive bidding but joint venture profit sharing permits were issued on first-come first-serve basis. Joint venture sharing permits were granted for up to 160 acres in the past. The 2016 Amendment to Gemstone Law limits the size at 50 acres for large scale joint ventures and large and medium scale permits to be awarded through competitive biddings. Joint venture blocks are blocks identified by the MONREC or the MGE or companies operated under production sharing contracts (PSC) with the MGE. Since there was no permit granted from 01 April 2016, there is no implementation of the 2016 Amended Gemstone Law.

Joint venture blocks are a new category under the 2016 second amendment of the Myanmar Gemstone Law where 40% of sales of gemstone is for MGE and the operator can keep 60%. It was agreed that joint venture split for MGE is 25% in cash on sales at 52nd Gems Emporium in Nay Pyi Taw in 2015. The 2016 Amendment to the Gemstone Law allows large scale or medium scale permit issued on a joint venture production sharing basis.

Gemstone extraction permits were categorised into large scale, medium scale, and small scale and artisanal. Large scale and medium scale permits are awarded through competitive bidding and large scale permit is granted for 10 year and medium for 5 years. Small scale and artisanal permits are granted through an application process and small scale permits are granted for three years and artisanal is granted for one year only. Commercial scale, technology and machinery for large scale, medium scale and small scale permits are designated by MONREC and artisanal permits require MONREC to designate using manual operation equipment or a very low horse-power machine after discussing with regional government.

¹⁴⁴ Information provided by the World Bank

¹⁴⁵ https://myanmareiti.org/sites/myanmareiti.org/files/publication_docs/intermediate_report_tracking_changes1.pdf

¹⁴⁶ Information provided by the MGE

There was a 10% royalty payable on foreign currency sales of which 7% is transferred to the IRD and 3% to the MGE. The new royalty is 3% on rough gemstone sales and 1% on cut and polished gemstone, jewellery or products made with gemstone as per amended Myanmar Gemstone Law. Director General of Department of Mines is Chief Inspector and officers from Department of Mines or MGE may be assigned as designated inspectors. 2% of profits generated by the permit holders is required to be spent for the development of health, education, transportation and any areas necessary for the region they are operating.

Expired gemstone blocks and new gemstone blocks are announced in the newspapers. A proposal shall be submitted for those gemstone blocks. Expired gemstone blocks are announced on the notice board of the MGE in Nay Pyi Taw and relevant mining departments. Bids cannot be placed for gemstone blocks that are not announced. One proposal is valid for one gemstone block that is expired or designated.

A company has to register and pay a registration fee of MMK 1,000 and an application fee of MMK 300 per gemstone block applied. In addition, a security deposit of MMK 1,000,000 shall be deposited to Myanmar Economic Bank and bank deposit receipt is provided to get receipt. Each application shall include company incorporation certificate, form 6 and 26, membership certificate of gems association, national identification certificate of the owner or the representative, bank statement and receipt in a sealed envelope. It is required to write the name of the applicant and company on the sealed envelope which is presented to the proposal receiving team in order for them to record the bank receipt reference number, registration number in the register before it is put into the tender box. It usually allows 30 days to receive proposals.

The floor price for one acre of discovered block was usually MMK 500,000 and expired discovered block was MMK 1 million while floor price of both new and expired designated blocks is at least MMK 1 million. However, the Second Amendment of Myanmar Gemstone Law took out the discovered block category and added small scale and artisanal permits that can be granted by Regional Permit Scrutinising Bodies with approval from the MONREC.

Large scales and medium scale permits are based on the completeness of required documents for tender and the bid. Small scale and artisanal permit applications are being screened by the Regional Permit Scrutinising Bodies. Field trips are made to the proposed area with the expenses being incurred by the applicants. The relevant area of block is checked whether it is farmland, reserved forest, village land, religious land, city development area, public roads, reservoir, area that may affect the environment, area that has national projects or area where permit is granted already.

Application for blocks that are going to operate under PSC are inspected by the Township Administration Department, the Township Land Record Department, the Township Forestry Department, the MGJEA representatives and civilians. Inspection report is submitted to Permit Scrutinising Committee so that committee evaluates and submit to the MGE Development Leading Committee (MGEDLC) with recommendation for approval.

The Union Minister of the MONREC acts as a chairman and the Deputy Ministers from the Ministry of Home Affairs and the Ministry of Planning and Finance, the Deputy Attorney General from the Attorney General Office, the Director Generals from the Forestry and Irrigation act as members while the Director General of the DOM acts as Secretary in the MGEDLC. The MGEDLC invites three central executive committee member of the MGJEA to participate in the process of granting permits in order to promote transparency. The application process usually takes about three to four months. The MGEDLC was abolished on 29 March 2016 with the order No. (36/2016) by the President Office.

Permits for designated blocks are granted to private companies through competitive tender. The MONREC awards large scale and medium scale permits to those with the highest bid and shares profit with the permit holder. The Regional Permit Scrutinising Bodies decide on awarding small scale or artisanal permits subject to approval from the MONREC.

2.1.4.4 Pearl

There was no new pearl license granted for FY 2016-2017

There are ten types of operations; oyster fishing and collecting, artificial breeding of oysters, oyster rearing, oyster culturing, pearl harvesting, sales of oyster shell, oyster diving vessel operation, pearl culturing technician, oyster rearing technician and pearl culturing diving technician. There are two types of permits required based on the types of operations, license and registration. Ministry approves license for oyster fishing and collecting, artificial breeding of oysters, oyster rearing, oyster culturing, pearl harvesting and sales of oyster shells for foreign companies and artificial breeding of oysters, oyster rearing, oyster culturing and pearl harvesting for citizen companies while MPE approves licenses for oyster fishing and collecting and sales of oyster shells and registration of oyster diving vessel, pearl culturing technician, technician for artificial breeding of oyster, oyster rearing technician and pearl culturing diving technician.

Table 28 Types of Operations with License Requirement

No.	Type of Operations	Type	Ministry		MPE	
			Foreign	Citizen	Foreign	Citizen
1	Oyster fishing and collecting	License	√	-	-	√
2	Artificial breeding of oysters	License	√	√	-	-
3	Oyster rearing	License	√	√	-	-
4	Oyster culturing	License	√	√	-	-
5	Pearl harvesting	License	√	√	-	-
6	Sales of oyster shell	License	√	-	-	√
7	Oyster diving vessel	Registration	-	-	√	√
8	Pearl culturing technician	Registration	-	-	√	√
9	Technician for artificial breeding of oyster	Registration	-	-	√	√
10	Oyster rearing technician	Registration	-	-	√	√
11	Pearl culturing diving technician	Registration	-	-	√	√

Different operations need to use different application forms

Table 29 Types of Operations with Application Forms

No.	Type of Operations	Type	Application Form for Foreign	Application Form for Citizen
1	Oyster fishing and collecting	License	MaPaLa - 1	MaPaLa – 5
2	Artificial breeding of oysters	License	MaPaLa - 1	MaPaLa – 2
3	Oyster rearing	License	MaPaLa - 1	MaPaLa – 2
4	Oyster culturing	License	MaPaLa - 1	MaPaLa – 2
5	Pearl harvesting	License	MaPaLa - 1	MaPaLa – 2
6	Sales of oyster shell	License	MaPaLa - 1	MaPaLa – 6
7	Oyster diving vessel	Registration	MaPaLa - 9	MaPaLa - 9
8	Pearl culturing technician	Registration	MaPaLa -10	MaPaLa -10
9	Technician for artificial breeding of oyster	Registration	MaPaLa - 15	MaPaLa - 15
10	Oyster rearing technician	Registration	MaPaLa - 16	MaPaLa - 16
11	Pearl culturing diving technician	Registration	MaPaLa -11	MaPaLa -11

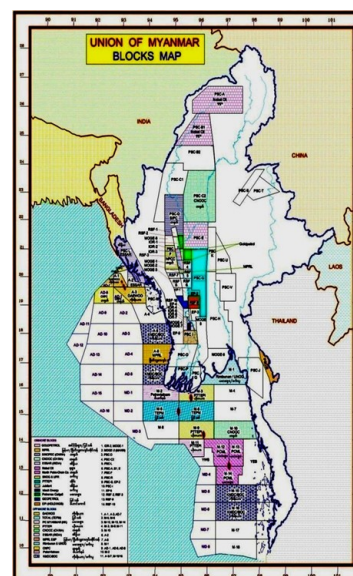
2.1.5 Register of licenses

2.1.5.1 Oil and Gas

Although the MOGE does not award licenses, it enters into contracts with operators. List of contracts awarded by MOGE is not available on their website. The MOGE maintains a list of contracts that contains the following information:

- Block number
- Operator Name
- Country of Origin
- Activity (Study Period, Exploration, Production)
- MIC permit number
- Commencement date
- Expiry date
- Company Status (Active/ Pending)
- Location
- Share interest %

The above list is not made publicly available on the MOGE website at the time of reporting¹⁴⁷. MOGE provided the list upon request free of charge. The list does not include date of application, date of award, the commodity being produced and the coordinates. During the report preparation period, MOGE provided coordinates of the blocks. The updated cadastre should be published on MOGE's website. In the meantime, details of licences register are presented in Appendix 10 of the report.



Details of 11 bidders that were awarded in 2013 onshore blocks bidding round are set out in the table below:

[Source: Myanmar Energy Monitor]

Details of 11 bidders that were awarded in 2013 onshore blocks bidding round are set out in the table below:

Table 30 Bidders that were awarded in 2013 onshore blocks bidding round

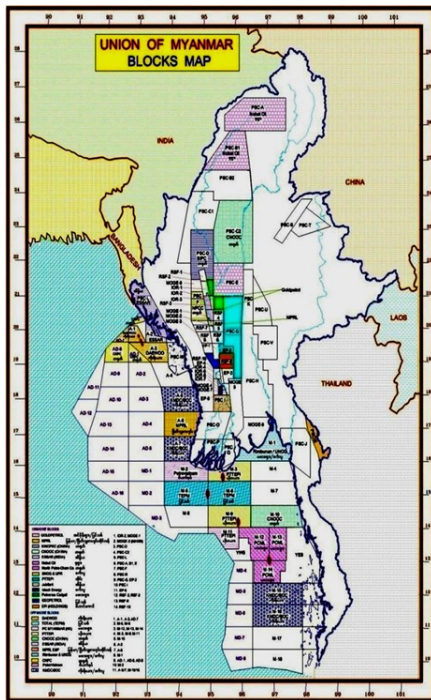
No.	Company Name	Country of Origin	Type of Contract	No. of Block
1	ONGC Videsh Ltd.,	India	PSC	2
2	ENI	Italy	PSC	2
3	Petroleum Exploration (PVT) Ltd.	Pakistan	PSC	2
4	Brunei National Petroleum	Brunei	PSC	1
5	Petronas	Malaysia	PSC	1
6	Pacific Hunt Energy	Canada	PSC	2
7	CAOG S.a.r.l	Luxembourg	PSC	1
8	JSOC Bashneft	Russia	PSC	1
9	PTTEP SA	Thailand	PSC	1
10	Sophon Offshore	Thailand	PSC	1
11	MPRL E&P Pte.	British Virgin Islands	PCC	2

¹⁴⁷<http://www.moee.gov.mm/mm/ignite/page/40>

Details of 13 bidders that were awarded in 2014 offshore blocks bidding round are set out in the table below:

Table 31 Bidders that were awarded in 2014 onshore blocks bidding round

No.	Company Name	Country of Origin	Type of Contract	Type of Block	No. of Blocks
1	BG Asia Pacific Woodside Energy (Myanmar) Pte Ltd	UK Australia	PSC	Shallow water	2
2	Unocal Myanmar Offshore Co., Ltd. (Chevron)	USA	PSC	Shallow water	1
3	Oil India Limited Mercator Petroleum Ltd Oilmax Energy	India	PSC	Shallow water	2
4	ROC Oil and Tap Oil	Australia	PSC	Shallow water	1
5	Berlanga Holding	Netherlands	PSC	Shallow water	1
6	Transcontinental Group	Australia	PSC	Shallow water	1
7	Reliance Industries Ltd.	India	PSC	Shallow water	2
8	BG Asia Pacific Woodside Energy (Myanmar) Pte Ltd	UK Australia	PSC	Deep water	2
9	Ophir Energy Plc	UK	PSC	Deep water	1
10	Shell Myanmar Energy MOECO	Netherlands	PSC	Deep water	3
11	Statoil Conoco Philips	Norway USA	PSC	Deep water	1
12	ENI Myanmar B.V. (Myanmar Branch)	Italy	PSC	Deep water	2
13	Total E&P	France	PSC	Deep water	1



Only the MPPE awards licenses to distribute fuel. The list of licenses awarded by MPPE as of 30 November 2017 is available on its website¹⁴⁸. The MPE leases its factories and refinery to the private companies. Information on refinery and factories under MPE is available on its website¹⁴⁹ and information on the on-going projects are also available on its website¹⁵⁰.

¹⁴⁸<http://www.moee.gov.mm/mm/ignite/contentView/115>

¹⁴⁹<http://www.moee.gov.mm/mm/ignite/page/439>

¹⁵⁰<http://www.moee.gov.mm/mm/ignite/page/440>

2.1.5.2 Minerals

EITI implementing countries are required to maintain publicly available registers of mining permits. The 1994 Myanmar Mining Law does not prohibit the disclosure of mining permits and mining permits in operation are listed on the mining website¹⁵¹. The mining permit register is publicly available and has the following information:

- Permit number
- Name of organisation
- Permit area (acre, region, township, district)
- Terms of permit (duration, commencement date, expiry date)
- Type of minerals
- Coordinates
-

There were 396 exploration permits operating in FY 2016-2017. There were 28 types of minerals in FY 2016-2017 and 31% of the total permit was for coal exploration. Tin – tungsten had 24%, iron had 9% and antimony had 7% of the total number of permit. Coal was being explored in Magwe, Mandalay, Sagaing, Shan and Tanintharyi, of which Mandalay and Sagaing had the largest number of exploration permit. Tin – Tungsten was explored in Kachin, Kayah, Shan and Tanintharyi of which Tanintharyi had the largest number of exploration permit. Iron was explored in Bago, Chin, Kachin, Kayah and Shan, of which Kachin had the largest number of exploration permit. Antimony was explored in Kayah, Kayah, Mandalay, and Mon and Shan, of which Shan had the largest number of permit.

Further details on the permits for the minerals sector is set out in Appendix 10.

2.1.5.3 Gems and Jade

There are about 2,000 gemstone trading license granted by MGE operating in FY 2016-2017. They are allowed to cut and polish gemstones, manufacture jewellery and sell rough or cut or polished or jewellery in local or foreign currency in Myanmar or export. License term is 3 years. A complete list of companies with permits held can be found in Appendix 10.

20,453 permits granted prior to 01 April 2016 were operating in FY 2016-2017 as shown in the table below.

Table 32 Number of Permits granted prior to 01 April 2016

No.	Gems Tract	Commodity	No. of Permits
1	Mogoke	Gems	1,953
2	Mineshu	Gems	432
3	Lonekhin/ Pharkant	Jade	7,682
4	Khamtee	Jade	2,718
5	Moenyin	Jade	7,668
	Total		20,453

There were no gems and jade permit returned to MGE in FY 2016-2017. Gems and jade permits cannot be transferred to each other under current legislation.

2.1.5.4 Pearl

There are 12 pearl projects in Myanmar and all of them are in the Tanintharyi division. One of them is being operated by the MPE. Four are foreign joint venture with the MPE and seven are citizen joint venture with the MPE.

There are four foreign investments through MIC that are operating as joint ventures with the MPE as of 31 March 2017 of which one was awarded a license in 1996-1997, one in 1997-1998, one in 1998-1999 and one in 2014-2015. All of them were granted for 15 years and three of them got their license term extended for additional five years. Total investment by foreign joint venture companies is USD 45.318m.

There are seven citizen investment through the MIC that are operating as joint venture with the MPE as of 31 March 2017 of which two were awarded license in 1999-2000, one in 2013-2014 and four in 2015-2016. All of them, except Nino which was granted for ten years, are granted for 15 years. One of them, Eastern Pearl, got its one of license terms extended for an additional five years and Nino extended twice each for five years. Total investment is MMK 17,000 million.

With the exception of registration renewal, there were no pearl production permits transferred, returned or expired in FY 2016-2017. Detail list of licenses granted are set out in the Appendix 10.

¹⁵¹[http://www.mining.gov.mm/DM_mm/1.DM_mm/Permits\(2019\).pdf](http://www.mining.gov.mm/DM_mm/1.DM_mm/Permits(2019).pdf)

2.1.6 Contracts

EITI implementing countries are encouraged to disclose contracts and licenses. Upstream oil and gas operations are mainly governed by contracts between the MOGE and operators. The existing oil and gas contracts are made between MOGE and private operators.

The PSC includes a secrecy clause where the parties agree not to disclose “data and information purchased or acquired” or obtained “during the course of operations,” and it implies contract itself. Laws and rules governing the upstream oil and gas sector does not restrict public disclosure of contracts.

The PSC between the MOGE and Total E&P for the Yadana project is made publicly available but the other operators have not yet made details of their PSCs available. Details of the contract terms were also provided by the MOGE and information on the exploration period, the work programme and expenditure, production periods, royalties, production shares, data fees, production bonuses for both crude oil and gas, domestic requirements, cost recovery provisions, training and research and development funds, state participation, income tax and tax holiday periods, profit sharing and arbitration, and governing laws can be accessed in Appendix 12.

There are 1,600 oil and gas and mining contracts disclosed by 90 countries¹⁵². However, contracts in Myanmar are not ready to be disclosed due to secrecy clauses in contracts.

2.1.6.1 Oil and Gas

The MOGE awards contracts and maintains information on block number, name of operators and partners, current activity, MIC permit number, commencement date and expiry date, current status, area, country of residence, participation interest of company, coordinates and remark. However, information on the date of application is not available. List of contracts awarded is not available on the website¹⁵³. The MOGE has provided this list of contractors and this is set out in Appendix 10.

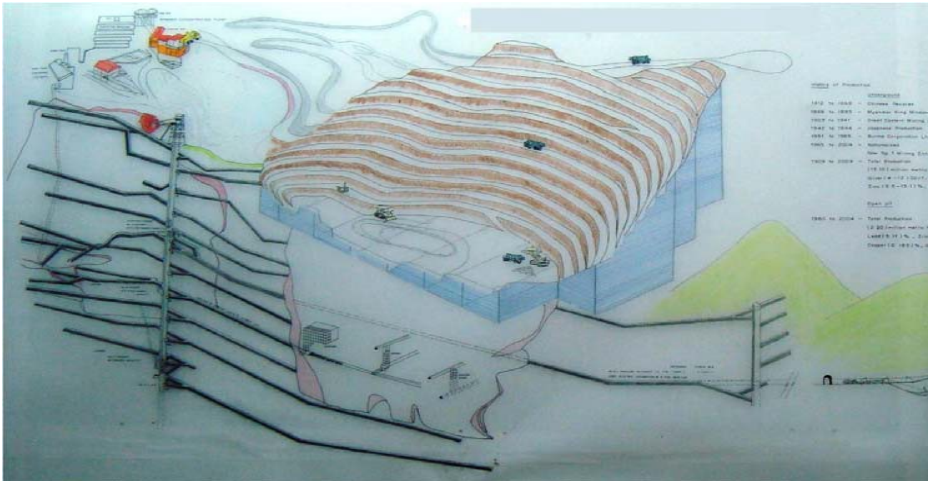
2.1.6.2 Minerals

Large-scale exploration and production model contracts are publicly available on the DOM website¹⁵⁴. The Myanmar Mining Rules allows the MONREC to enter into joint venture with operators. Mining contracts can be production sharing contracts or profit sharing contracts, but companies enter into production sharing contracts. Under PSC, the MONREC provides two years for prospecting with an exploration permit granted for not more than three years with a one-year extension available upon submitting an application for extension. A production permit is then granted for 25 years with four extensions of five years each. Major constraint is land acquisition problems.

¹⁵²https://www-cdn.oxfam.org/s3fs-public/file_attachments/bp-contract-disclosure-extractives-2018-030518-en.pdf

¹⁵³<http://www.moee.gov.mm/mm/ignite/page/407>

¹⁵⁴http://www.mining.gov.mm/DM_mm/default.asp?page=2



The sharing of production costs may be fixed for the term of the agreement or on a sliding scale depending on the level of production. The MONREC currently favours PSCs over joint venture agreements as total production is split, valued and sold to the operator at a mutually agreed price.

Alternatively, a cost-recovery type of production sharing, where a certain percentage of total revenue is reserved for recovery of the production costs can be adopted. A straight split of the total production is preferred in large-scale production of low cost and low value minerals such as dimension stones, coal and other industrial minerals. More valuable metallic minerals such as gold and copper production is more beneficial with production sharing with cost recovery. Large scale mining permits were granted with PSCs. Foreign joint venture operations projects are discussed below.

Cornerstone Resources (Myanmar) Ltd. is situated in Longh Keng track, Mong Pawn Township in southern Shan State and was granted 20 year term of the PSC by the ME 1 on 12th October 1999. Cornerstone Resources (Myanmar) Ltd established an Electrolytic Zinc Plant at Mangpyin track, Lashio township in northern Shan State and produces Zinc ingot for domestic use¹⁵⁶.

GPS Joint Venture Co., Ltd is situated in Bawsaing track, Kalaw Township, Taunggyi district in southern Shan State and the large scale PSC was granted on 4th February 2014 by ME (1)¹⁵⁷.

¹⁵⁵http://www.mining.gov.mm/DGSE/1.DGSE/DGSE_Presentation2_97.pdf

¹⁵⁶ <http://www.mining.gov.mm/ME-1/1.ME-1/details.asp?submenuID=11&sid=753>

¹⁵⁷ http://www.mining.gov.mm/ME-1_mm/1.ME-1_mm/details.asp?submenuID=12&sid=789

Large scale local joint venture projects are discussed below.



Namtu-Bawdwin mine, situated in Namtu township, Kyaukme district in northern Shan State, was transferred to Win Myint Mo Industrial Co., Ltd through granting PSC on 5th January 2010 with the term of (15) years.¹⁵⁸

Bawsaing mine located in Kalaw township, Taunggyi district, southern Shan state, was transferred to Top Ten Star Production Co., Ltd. Through granting a PSC with a term of ten years. They established a Lead Ore Concentrating Plant together with Rule Zhiseng Import and Export Company Ltd and is producing lead concentrates.¹⁵⁹

Yadanar Theingi mine, situated in Naung Cho township, KyaukMe district in northern Shan state, was transferred to Linn Pyae Mining Co., Ltd through granting Production Sharing Contract on 1st May 2010 with a term of ten years.¹⁶⁰

Thabyu Mining Co., Ltd. is situated in Thabyu track, Kyarinnsaikkyi Township, Kayin state and entered into Production Sharing Contract with the ME 1 (formerly with ME 3) on 12th December 2001 with the term of seven years. Three one year extensions and one time of five years extension were proceeded and expiry of contract is on 3rd June 2018. The main mineral produced is low grade antimony ore.¹⁶¹

Htoo International (Electrum) Mining Co.,Ltd. is situated in Kandawyan track, Waingmaw township, Myitkyina district, Kachin state and was granted a PSC by the ME (1) on 21st December 2009 with a term of (10) years.¹⁶²

Myanmar Economic Holdings Limited is a public limited company. The ME (1) and Ivanhoe Myanmar Holdings Ltd. cooperatively established the Myanmar Ivanhoe Copper Company Limited in Sabetaung, Kyisintaung project and carried out the Cathode Copper productions from the year 1998-1999 to December 2010- 2011. On 31st December 2010, the ME (1) transferred its shares to Myanmar Economic Holdings Ltd at the price of USD 100 million and Ivanhoe Myanmar Holding Ltd transferred its shares to Yang Tse Mining Ltd from the People's Republic of China at the price of USD 100 million. Myanmar Economic Holdings Ltd and Yang Tse Mining Ltd cooperatively established a Myanmar Yang Tse Copper Ltd. in Sabetaung Kyisintaung project and carrying out the Cathode Copper productions. Mineral exploration, Feasibility study and large scale production permit for Letpadaung Taung Copper Project, was issued to Myanmar Economic Holdings Ltd on 5th March 2010. The Contract between the Myanmar Economic Holdings Ltd. and Wanbao Mining Ltd. got amended on 24th July 2013 with the advice of Letpadaung taung Copper Project Investigation Commission and the ME (1) entered into that amended Contract as one of the contracting parties. The benefit sharing ratio was amended as 51 % for the government and 49 % for the companies.¹⁶³

Similar to the oil and gas contracts, mining joint venture contracts have a secrecy clause. Model contracts are available on the mining website but the secrecy clause prevents any disclosure of actual contracts. As per requirement of new EITI standards, the DOM confirmed that they will hold a series of workshops to educate contract disclosure for the new contracts. In addition, they will discuss with the existing contracting parties for contract disclosure.

¹⁵⁸<http://www.mining.gov.mm/ME-1/1.ME-1/details.asp?submenuID=11&sid=241>

¹⁵⁹<http://www.mining.gov.mm/ME-1/1.ME-1/details.asp?submenuID=11&sid=753>

¹⁶⁰<http://www.mining.gov.mm/ME-1/1.ME-1/details.asp?submenuID=11&sid=753>

¹⁶¹<http://starsapphiregroup.com/thabumining.php>

¹⁶²<http://www.mining.gov.mm/ME-1/1.ME-1/details.asp?submenuID=11&sid=753>

¹⁶³<http://www.mining.gov.mm/ME-1/1.ME-1/details.asp?submenuID=11&sid=753>

2.1.7 Beneficial Ownership

MEITI implementing countries are required to maintain a publicly available register of beneficial owners of the extractive companies that contracts, permit or license to explore, develop or extract natural resources. Beneficial ownership information is recommended to be embedded in filing processes but beneficial ownership concept was not recognised in the laws and regulations in extractive industries in Myanmar. It is important to educate the meaning of beneficial ownership and how important it is in the transparency process. Myanmar submitted a beneficial ownership roadmap to the International EITI Secretariat on 31 December 2016 for the implementation of the beneficial ownership disclosure in order to comply with EITI standards.¹⁶⁴

BO is a new concept in Myanmar and there were challenges encountered during implementation. People in the private sector have concerns on their safety upon disclosure while verification of BO information is also a challenge. The main constraints are technical and financial assistance in implementation as it requires technology in data collection and verification, legal advice and resource persons for awareness raising and training as well as financial support.¹⁶⁵

The 2017 Myanmar Company Law introduces the ownership interest concept on both direct and indirect shareholding, regulating transfer of shares relevant to overseas corporations for foreign shareholdings. The 2014 Anti-Money Laundering Law provides a definition of BO and domestic and international politically exposed persons (PEPs) that are aligned with international best practice. The 2013 Anti-Corruption Law promotes transparency of the rule of law and governance sector. DICA issues an Anti-Corruption Code of Ethics for Companies and Body Corporates, requiring all companies and body corporate that are incorporated within the Union to carry out business activities responsible to abide by the code of ethics, on 03 August 2018. The 2016 Myanmar Investment Law provides conflict of interest provisions relevant to Commissioners and the PEP requirement. However, there is no BO or PEP concept addressed in the legislation governing the oil and gas, minerals or gems and jade sectors.

¹⁶⁶

The MYCO system developed by the DICA does not have BO information and it was understood that DICA plans to upgrade the system if and when financial and technical assistance is required as well as the current workload of DICA. DICA will collect BO information using an agreed BO template form in Phase I. Data verification will be completed with the collaboration of DICA and other government agencies such as FIU, MONREC, MOEE, MOPF and the Central Bank.¹⁶⁷

Anti-Corruption Commission was formed on 25 February 2014 in order to investigate corruption allegations in the Union.¹⁶⁸

A BO task force for extractive industries was formed on 30 June 2018 through an order No. 60/ 2018 by the MOPF. A BO task force comprises of 14 members, U Soe Win, MEITI National Coordinator, acting as a Chairperson. Nine directors from the DOM, the MOGE, the DICA, the Attorney General Office (AGO), the Office of Auditor General (OAG), the CBM, the Anti-corruption Commission and the Financial Information Unit, two representatives from the private sectors and two representatives from the civil society organisations. The terms of BO task force was the same as terms relating to the Government?

The terms of reference of the BO Task Force is set out below:¹⁶⁹

- a) Prepare and implement the Work Plan in order to implement BO Roadmap
- b) Identify a focal agency – the agency that shall lead in the implementation of Work Plan
- c) Identify the agency(ies) that is (are) best suited to collect, maintain and disclose BO information.
- d) If required, recruit a consultant for the implementation of BO
- e) Undertake consultations and develop amendments to the legal framework and implementing regulations in order to embed the requirement for BO disclosure (including sanctions or incentives for BO disclosure; level of detail of the BO disclosures; data validation and frequency of updates)
- f) Oversee and support while reviewing relevant national laws, regulations and orders in extractive industry.
- g) Support in reviewing to the relevant national laws and regulations to assess whether the BO and Political Exposed Person (PEP) definitions developed by the METI align fully with the existing national legislation and developing amendments as necessary.
- h) Oversee and support in reviewing relevant national laws, regulations and contractual terms to assess whether there are any legal or regulatory barriers to disclosure of BO (for example, confidentiality clauses).
- i) Initiate with the Sector Specific approach to BO disclosure.
- j) Support the implementation of the BO Pilot.
- k) Implement the activities for timely disclosing BO information in MEITI report since 1 January 2020 in compliance with 2016 EITI Standards.
- l) Conduct BO Task Force meeting for coordination as required.
- m) Regarding with the decisions of BO Task Force meeting and updated activities, submit to the nearby MEITI MSG meeting.
- n) Submit the advices for BO activities to MEITI Working Committee meeting and take approval.
- o) If necessary, develop and propose transitional arrangements to the EITI International Secretariat to meet the 1 January 2020 requirement.
- p) Provide guidance on the work of the National Coordination Secretariat (NCS) in regard to BO.
- q) Receive relevant national and international training and workshop related with BO.

¹⁶⁴https://myanmareiti.org/sites/myanmareiti.org/files/publication_docs/2018-06-30-bo_taskforce_notification_lettereng_version.pdf

¹⁶⁵BO Progress Information for Short Publication provided by NCS Technical Team

¹⁶⁶BO Progress Information for Short Publication provided by NCS Technical Team

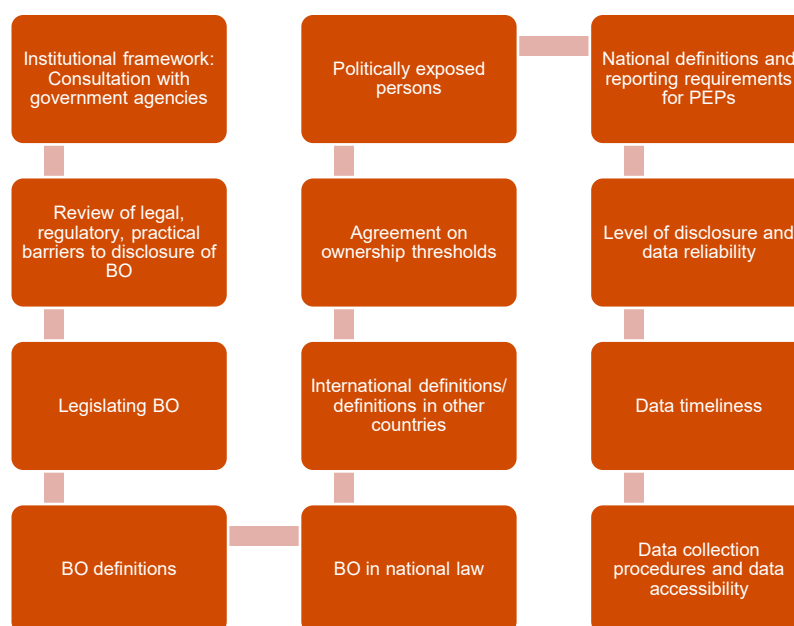
¹⁶⁷BO Progress Information for Short Publication provided by NCS Technical Team

¹⁶⁸BO Progress Information for Short Publication provided by NCS Technical Team

¹⁶⁹https://myanmareiti.org/sites/myanmareiti.org/files/publication_docs/2018-06-30-bo_taskforce_notification_lettereng_version.pdf

BO for Myanmar has twelve components that contribute to successful implementation (refer to the figure below). In addition, it will benefit the national procurement and public infrastructure projects should the government mainstream the BO practices in procurement.

Figure 15 Draft Beneficial Ownership Roadmap of Myanmar¹⁷⁰



MSG agreed in the previous year that MOGE should disclose their level of BO in oil and gas companies operating in Myanmar, including those held by SOE subsidiaries and joint ventures, and any changes in the level of ownership during the reporting period. Details of the interest held by MOGE in the oil and gas blocks reported by MOGE can be seen in the list of oil blocks in the Appendix 10. In addition, MOGE shareholding percentage in the oil and gas transportation companies can be seen in section 2.1.8.2. Similar to the previous year, there is no state participation in the equity of the upstream Oil and Gas companies as at 31 March 2017. Furthermore, the percentage of participation in the joint venture in the upstream oil and gas projects has not changed between 31 March 2016 and 31 March 2017.

Although BO disclosure was included in the reporting templates, some companies did not complete the section since those were voluntary disclosure for FY 2016-2017 and there is a separate BO project going on in parallel. Legal ownership information was available from the DICA and request was made to the DICA.

The Myanmar Extraction Industries Transparency Initiative (MEITI), as with all other EITI implementing countries, has until 1 January 2020 to insure that all oil, gas and minerals companies disclose their beneficial ownership (BO) information including information about Politically Exposed Persons' (PEP) interests and this information is to be publicly available. As highlighted above, MEITI has already produced a beneficial ownership roadmap which leads a work plan to be implemented. To empower the BO data collection before proper legislation is ready, MSG has agreed on the BO and PEP definition in the 6th MSG meeting and also agreed to enact a presidential decree by the 16th MSG meeting. In this situation, the presidential decree is being drafted with the support of respective organisations and it is work-in-progress to submit to the President Office by the end of June 2019. The presidential decree will become the first legal instrument for BO disclosure in Myanmar.

As a demonstration of progress, the Anti-Corruption Commission and the United Nations Development Programme-UNDP conducted a workshop with members of the Commission, Permanent Secretaries and Director Generals of the 13 ministries and staff of the office of the Commission at Parkroyal Hotel in Nay Pyi Taw in order to prepare in the formation of the Corruption Prevention Unit (CPU) at 13 ministries on 19 January 2019. There are three duties of the CPU; to scrutinise and explore corruptions, to solve the corruption problems, and to prevent the corruption by the civil servants. The commission planned to provide necessary training to four to ten staff from each ministry in the first week of February in order to work for the CPU.¹⁷¹

2.1.8 State Participation

2.1.8.1 Financial Relationships between the Government and State-owned Economic Enterprises (SOEs)

SOEs were operating with the union budget allocated from the centralised budget. SOEs have Other Accounts that are under The Union Fund Account and governed with the Union Budget Law for working capital. Other accounts of SOEs are subject to audit by the AGO. In addition to UFA (OA), there are SOE Accounts opened by SOEs and those are under The Union Fund Account.¹⁷²

¹⁷⁰ https://eiti.org/sites/default/files/documents/bo_roadmap_-_myanmar.pdf

¹⁷¹ <http://www.moi.gov.mm/moi:eng/?q=news/20/01/2019/id-16335>

¹⁷² Citizen Budget for FY 2016-2017

SOEs are allowed to open a bank account, "Other Account", as working capital account under The Union Fund Account from Financial Year 2012-2013 in order for them to operate as economic enterprises independently. Current revenue earned is to be credited there and incur budgeted expenditures allocated are to be paid out of it as per the letter from Ministry of Planning and Finance with reference number of BaKha-3/20 (547/ 2012), dated 3 April 2012.¹⁷³ Current expenditure and capital expenditure of state-owned economic enterprises still require approval through the Union Budget process and budget amendments have to follow the same. Any surplus from state-owned economic enterprises are allowed to be invested in Treasury Bills only. However, currently, SOEs are not allowed to invest in Treasury Bills. Any expenditure that was not approved as budget allocation out of Other Account is prohibited.¹⁷⁴

Transfers from SOEs to other government agencies are set out in Section 3.5.5.

SOEs shall pay income tax under Income Tax Law 1974 and the Union Tax Law 2016-17, at the rate of 25% on the taxable income and contribute 20% of net profit to The Union Fund Account as State Contribution. Any interest incurred from the loan taken from Myanmar Economic Bank shall be paid and the remaining balance is allowed to be kept in the bank for the following financial year.¹⁷⁵

In FY 2012-2013, 78% of raw material procurement shall be made from UFA (OA) of state-owned economic enterprises and 22% of raw material procurement, other current expenditure, capital expenditure and financial expenditure shall be incurred from The Union Fund Account.¹⁷⁶

In FY 2013-2014 and FY 2014-2015, profit generating state-owned economic enterprises shall incur 100% of raw material purchases, state contribution and income tax as working capital from its own UFA (OA) and other current expenditures, capital expenditure and financial expenditures shall be incurred from The Union Fund Account. Non-profit generating state-owned economic enterprises shall incur 80% of raw material procurement as working capital from its UFA (OA) and 20% of raw material procurement, other current expenditure, capital expenditure and financial expenditure shall be incurred from The Union Fund Account.¹⁷⁷

In FY 2015-2016, 100% of raw material procurement, state contribution, income tax and commercial tax of profit generating state-owned economic enterprises shall be incurred as working capital from its own UFA (OA) and other current expenditure, capital expenditure and financial expenditure shall be incurred from The Union Fund Account. 100% of raw material procurement and commercial tax of non-profit generating state-owned economic enterprises shall be incurred as working capital out of their own UFA (OA) and other current expenditure, capital expenditure and financial expenditure shall be incurred from The Union Fund Account.¹⁷⁸

In FY 2016-2017, SOEs with sufficient balance in UFA (OA) shall incur all current expenditure except interest paid to overseas loans, state contribution, income tax and commercial tax as working capital out of UFA (OA) and interest paid to overseas loans, capital expenditure and financial expenditure are incurred from The Union Fund Account and those with insufficient balance in UFA (OA) shall incur raw material procurement, operating expenses, commercial tax, income tax (if there is taxable income) and state contribution as working capital out of its own UFA (OA) and other current expenditure, capital expenditure and financial expenditure shall be incurred from The Union Fund Account. UFA (OA) are audited by the Union Auditor General every year.¹⁷⁹

There are three SOEs under the MOEE holding 28 UFA (OA) with the total balance of MMK 6,030,537.1 million as at 31 March 2017 and total increase in fund of MMK 795,893.81, representing 111.4% of total increase in UFA (OA) balance in FY 2016-2017. There are four state-owned economic enterprises under Ministry of Natural Resources and Environmental Conservation holding five UFA (OA) with the total balance of MMK 891,285.36 million as at 31 March 2017 and total increase in fund of MMK 100,333.04, representing 14% of total increase in UFA (OA) balance in FY 2016-2017.¹⁸⁰

Total number of UFA (OA) held by state-owned economic enterprises in extractive industry is 33 in FY 2016-2017 with the opening balance of MMK 6,025,595.61 million and closing balance of MMK 6,921,822.46 million, resulting net increase of MMK 896,226.85, representing 125.5% of total net increase in UFA (OA) balance in FY 2016-2017. There were 505 UFA (OA) held by state-owned economic enterprises with the total opening balance of MMK 10,913,600.55 million and closing balance of MMK 11,627,920.98 million, resulting a net increase of MMK 714,320.44 million. Among the state-owned economic enterprises, the MOGE and the MGE are the most revenue generating enterprises along with Myanma Post and Telecommunication.¹⁸¹

Other Accounts are subject to be audited by the Union Auditor General's Office. How revenue and expenditures are deposited and paid for FY 2016-2017 were prescribed in the Citizen Budget for FY 2016-2017. Management of revenue and expenditure of SOEs prescribed in the Citizen Budget for FY 2016-2017 were discussed in later section in this report. All the movement in the year of SOEs agree with the amount provided by SOE through reconciliation process except the ME 1 where the difference is due to the balance from UFA (OA) of the ME 3 and unbudgeted income.

¹⁷³ Citizen Budget for FY 2016-2017

¹⁷⁴ Citizen Budget for FY 2016-2017

¹⁷⁵ Citizen Budget for FY 2016-2017

¹⁷⁶ Citizen Budget for FY 2016-2017

¹⁷⁷ Citizen Budget for FY 2016-2017

¹⁷⁸ Citizen Budget for FY 2016-2017

¹⁷⁹ Citizen Budget for FY 2016-2017

¹⁸⁰ Citizen Budget for FY 2016-2017

¹⁸¹

2.1.8.2 Level of Ownership of the Government and SOEs in Extractive Companies

Since the Constitution of the Republic of the Union of Myanmar 2008 stipulates that the state is the ultimate owner of all-natural resources, state participation in the Oil and Gas sector is embedded in the PSC signed by the MOGE with contractors.

All SOEs are required to transfer 20% of their profit to Union Fund as State Contribution in addition to income tax of 25% under Income Tax Law¹⁸². Net profit of SOE is the same as taxable profit as it has to apply tax depreciation rate in the accounts and all expenditures are approved by the Union Budget. No further adjustment is required and the profit is subject to 25% of income tax.

State participation provision is included in the standard PSCs of oil and gas. Onshore standard PSC reserves a 15% undivided interest for MOGE with the option for the state to increase their share up to a 25% undivided interest in the project while offshore blocks reserves the right to buy-in up to 20% upon a commercial discovery and options of increasing to 25% if the reserves are greater than 5 TCF. For state participation, the MOGE is required to reimburse the expenses incurred by the operation in the same rate as state participation. The MOGE is also a contractor and its participation can be seen in the PSC disclosure. In addition to the PSC, the MOGE has equity interest in the pipeline projects and receives dividends.

Table 33 Ownership Interest in Offshore, Onshore and Pipeline Projects

Oil and Gas	Project	Operator	Interest Distribution (in %)									
Offshore Projects	Yadana	TOTAL	31%	MOGE	15%	UNOCAL	28%	PTTEP	26%			
	Yetagun	Petronas	41%	MOGE	21%	Nippon Oil	19%	PTTEP	19%			
	Shwe	Posco Daewoo	51%	MOGE	15%	ONGC Videsh Ltd.,	17%	IJJ India Ltd	9%	Korea Gas Corporation	9%	
	Zawtika	PTTEP	80%	MOGE	20%							
Onshore Projects	Chauk Oil Field	Goldpetrol	45%	MOGE	55%							
	Yenangyaung Oil Field	Goldpetrol	45%	MOGE	55%							
	Mann Oil Field	MOGE	65%	MPRL	35%							
Pipeline Projects	SEAGP	CNPC-SEAP	51%	MOGE	7%	Posco Daewoo	25%	Caspian E&P	8%	Gail (India) limited	4% AGP Co., Ltd	4%
	Moattama	TOTAL	31%	MOGE	15%	UNOCAL	28%	PTTEP	26%			
	Taninthayi Pipeline Company	Petronas	30%	MOGE	20%	Nippon Oil	19%	PTTEP	19%	PCML	115	
	Andaman	PTTEP	80%	MOGE	20%							

Both the ME 1 and the ME 2 do not hold any equity in mineral companies but they have joint venture contracts with the companies.

The MGE does not hold any equity in gems and jade companies but holds 25% of in gems and jade joint venture contracts. Details of MGE's shares in gems and jade joint venture contracts are set out in Appendix 10. The MPE has joint venture contracts with foreign companies with 30%:70% production sharing ratio. Details of the list of license is set out in the Appendix 10.

¹⁸²SOE Financial Management: BaKha – 3/ 20 (547/ 2012) dated 3 April 2012

2.1.9 Military Companies

There are two large well-known companies that were referred to as military holding companies in the previous MEITI reports; Myanmar Economic Holdings Limited (MEHL) and Myanmar Economic Corporation (MEC). These two companies are big players in Myanmar's economy in several areas including energy, mining and gemstones sectors. They are not considered as SOEs under Myanmar Economic Enterprise Law. MEHL is a public limited company and MEC is a private limited company but the majority of the shares are held and managed by former military officers and other public officials.

The purpose for setting up both companies was to generate funds for the welfare of both active-duty and retired Defence Services personnel and their families. This has been achieved through a combination of profit distribution and job provision for family members of military personnel as well as for veterans themselves.

2.1.9.1 Myanmar Economic Holdings Limited (MEHL)

MEHL was initially set up as a special company in the name of Union of Myanmar Economic Holding Limited (UMEHL) under the 1950 Special Company Act in 1990 with the Union Budget where Share "A" was held by the Ministry of Defence and the Directorate of Defence Procurement and Share "B" was held by military personnel, ex-servicemen, regiments and units, and ex-servicemen-led organisations. It dominated the economy of Myanmar by participating in majority of exports, import, cigarettes, alcohol, consumer goods and natural resources. Many of the privileges provided in the past were taken away since economic and political reform in 2011. They had a tax exemption privilege on income in Myanmar Kyat up until FY 2012-2013 but had to pay income tax on income earned in foreign currency. MEHL has started paying commercial tax from FY 2012-2013 and income tax from FY 2013-2014. The company has become one of the largest commercial tax and income tax payers in Myanmar since FY 2015-2016.

MEHL changed its company status to a public limited company under 1914 Myanmar Companies Act in 2015 by transferring Share "A" to Share "B". Their financial statements were audited by CMA until FY 2014-2015 and then by Certified Public Accountants from FY 2015-2016 onwards.

MEHL has its financial statements audited every year. The nominal value of each share is MMK 1,000 and shareholders hold from MMK 500,000 to MMK 10 million based on the rank. A Senior General Position holds shares up to MMK 10 million. There are 70 businesses being carried on by MEHL; six trading, nine service, 24 manufacturing, 11 joint venture and 20 build-operate-transfer businesses.

They have five major mining companies. A very well-known project is a joint venture with Wan Bao Myanmar Co., Ltd. In Latpadaung copper mining. Currently, 51% of profit is shared to the ME 1, 19% to MEHL and 30% to Wan Bao Myanmar while it was agreed at 30% shared to the ME 1, 29% to MEHL and 41% to Wan Bao Myanmar Co., Ltd. Production and costs are inspected by the ME 1. The ME 1 receives cost recovery, royalty of 4% in-kind. Copper produced was valued not less than the market prices listed on the London Metal Exchange. Copper produced were refined up to 90% and sold through auction to local and export. Term of joint venture agreement is (30) years.

Another big project is coal mining in Kyauk Ohn Chaung, Kalaywa, Sagaing. The project is being operated with Htoo Han Thit Co., Ltd in 5,000 acres (20 square meter) of land where rental is paid at MMK 5 million per square meter per year and the term of land lease is (25) years. 31.5% of production value is paid to the ME 1 as royalty and production split in cash. Coal produced are used in cement factories and for electricity generation. 67.5% of production belongs to Htoo Han Thit Co., Ltd and 1% to MEHL.

They have a joint venture company called Kayar State Mining Production Co., Ltd with Ye Htut Kyaw Co., Ltd. 32.8% of production was paid to ME 2 for royalty and production split as in-kind and the rest was divided to MEHL at 20% and Ye Htut Kyaw Co., Ltd at 80%.

Myanmar Ruby Enterprise is a subsidiary company of MEHL incorporated in 1996 and is a gems and jade mining company. 2,000 carat of jade was sold at the emporium in FY 2014-2015 and 20% of royalty, USD 64 million, was paid to the MGE. It has seven subsidiary companies, namely Duwon Kyel, Satra Kyel, Thein Nhget Kyel, Dana Theidi Kyel, Thitsar Kyel, Jasmine and Pone Nyet. Each of them are operating in gems and jade mining holding 50 acres each.

Myanmar Imperial Jade Co., Ltd was operating in the gems and jade sector. It was incorporated in 1997 and it is a 100% subsidiary of MEHL. It produces jade at Makyankha in Khamtee gem tract in Sagaing. It operates as a joint venture with Janephaw Gems and Jewellery Co., Ltd and receives 20% of production.

There are (476) private gems permit issued to its subsidiary companies operating during FY 2016-2017.

Table 34 Number of Permits Held by MEHL Subsidiary Companies Operating in FY 2016-2017¹⁸³

No	Name of Company	Number of Permit
1	Da Na Theiddhi Star	43
2	Du Won Star(Oo Paing)	50
3	Jasmine	50
4	Myanmar ruby Enterprise	176
5	Pone Nyat	49
6	Si Tra Star	49
7	Thein Nhget Star	9
8	Thit Sar Pan	50
	Total	476

There are (614) private jade permits issued to its subsidiary companies operating during FY 2016-2017.

No	Name of Company	Number of Permit
1	Kone Yar Thi Star	37
2	Myanmar Imperial Jade	427
3	Phu Sha Star	50
4	Saung Tar Yar Star	50
5	Thawka	50
	Grand Total	614

2.1.9.2 Myanmar Economic Corporation (MEC)

MEC, a conglomerate set up in 1997, is owned and operated by the Military. There are six line of businesses MEC is operating, manufacturing, beverages, services, terminal port, telecommunication and transportation. MEC has 24 factories, two beverage business, one golf resort, one mobile money service, MEC mobile phone project and an insurance business under service, one container transport and port clearance yard, two ports and one GSM mobile phone allocation and remote sensing ground station.

MEC has mining projects producing gypsum and limestone in Shan State, marble in Mandalay, granite in Saggaing, Belnite in Minekhote, coal in Shan State, and gems in Mineshu and jade in Lone Khin. It has two gypsum projects, two limestone projects, one marble project and 2 granite projects.¹⁸⁴ It has 31 private gems permit and 22 private jade permits operating in FY 2016-2017. It has many subsidiary companies and it has ranked top five taxpayer. They have their own budget to operate and their budget is not appropriated from the Union Budget.

For the fourth MEITI report, both MEHL and MEC participated as reporting extractive companies. Both entities submitted only non-digitised signed hard copies of the reporting templates after rigorous follow up by NCS and the IA and the reconciliation process concluded with unreconciled differences between the companies' and the government data. Refer to Sections 3.4.3.3 and 3.4.4.3 for details of the differences.

2.2 Exploration, Production and Export

2.2.1 Exploration

There were 20 onshore oil blocks and 6 offshore oil blocks at exploration stage in FY 2016-2017. Contract list is provided at Appendix 10. There were 396 mineral exploration permits operating in FY 2016-2017 and the permit list is provided in Appendix 10.

¹⁸³Information provided by the MGE

¹⁸⁴Information provided by MEC officers

2.2.2 Production

2.2.2.1 Oil and Gas

There were three onshore oil blocks that are at production stage in FY 2016-2017. The only in-kind revenue received by the MOGE in FY 2016-2017 is royalties on incremental petroleum recovery contract for the below onshore blocks. In-Kind payments reporting was only requested from the below onshore companies, MPRL and GoldPetrol for FY2016-2017.

Table 35 List of Onshore Oil Blocks at Production Stage in FY 2016-2017¹⁸⁵

Sr.	Block	Location	Contract Type	Type	Contractor
1	IOR-2	Chauk	IPR	Onshore	GoldPetrol Joint Operating Company Inc., (GJOC Inc.)
2	MOGE-1	Yenangyaung	IPR	Onshore	GoldPetrol Joint Operating Company Inc., (GJOC Inc.)
3	MOGE-2	Mann	PCC	Onshore	MPRL E&P Pte Ltd. (Yangon Branch)

There were offshore oil blocks that are at production stage in FY 2016-2017.

Table 36 List of Offshore Oil Blocks at Production Stage in FY 2016-2017¹⁸⁶

Sr.	Block	Location	Contract Type	Type	Contractor
1	A-1	Shwe, Rakkhine	PSC	Shallow water Offshore	Posco Daewoo Corporation (Myanmar E&P Office)
2	A-3	Shwe, Rakkhine	PSC	Shallow water Offshore	Posco Daewoo Corporation (Myanmar E&P Office)
3	M-5	Yadana, Mottama	PSC	Shallow water Offshore	Total E&P Myanmar
4	M-6	Yadana, Mottama	PSC	Shallow water Offshore	Total E&P Myanmar
5	M-9	Zawtika, Mottama	PSC	Shallow water Offshore	PTTEP International Ltd.
6	M-12	Yetagun, Tanintharyi	PSC	Shallow water Offshore	Petronas Carigali Myanmar Inc (PCMI)
7	M-13	Yetagun, Tanintharyi	PSC	Shallow water Offshore	Petronas Carigali Myanmar Inc (PCMI)
8	M-14	Yetagun, Tanintharyi	PSC	Shallow water Offshore	Petronas Carigali Myanmar Inc (PCMI)

Details of production from onshore and offshore blocks with percentage change rates are set out in the table below.

Table 37 Comparison of Offshore and Onshore Production of Oil and Gas¹⁸⁷

				Production 2014-15	Production 2015-16	Change %	Production 2016-17	Change %
Offshore	Condensate	Barrel		2,869,870	2,003,419	-30.19%	1,793,798	-10.46%
	Gas	Mmscf		651,584	676,954	3.89%	652,807	-3.57%
Onshore	Crude Oil	Barrel		1,744,317	1,506,345	-13.64%	1,384,409	-8.09%
	Gas	Mmscf		645	713	10.54%	712	-0.08%

¹⁸⁵Information provided by the MOGE

¹⁸⁶Information provided by the MOGE

¹⁸⁷Reconciliation Result for FY 2016-2017, FY 2015-2016 and FY 2014-2015

Details of export from onshore and offshore blocks with percentage change rates are set out in the table below.

Table 38 Comparison of Offshore and Onshore Exports of Oil and Gas¹⁸⁸

				Production 2014-15	Production 2015-16	Change %	Production 2016-17	Change %
Offshore	Condensate	Barrel		1,376,527	1,084,606	-21.215	1,051,665	-3.04%
	Gas	Mmscf		530,469	541,784	2.13%	522,210	-3.61%
Onshore	Crude Oil	Barrel		-	-	-	-	-
	Gas	Mmscf		-	-	-	-	-

58.6% of offshore condensate production, 80.0% of offshore gas production in FY 2016-2017 was exported. All onshore production of gas and crude oil are sold to domestic market. Onshore gas is being produced at Mann oil fields, operated by MPRL and crude oil is being produced at Chauk and Yenangaung oil fields, operated by Goldpetrol.

Table 39 Production, Domestic Sales and Export for FY 2016-2017¹⁸⁹

Production, Export and Domestic Sale from Oil and Gas Companies

				Production	Domestic Sale	Export
Oil and Gas Companies¹⁹⁰	Offshore	Condensate	Barrel	1,793,798	-	1,051,665
		Gas	Mmscf	652,807	-	522,210
	Onshore	Crude Oil	Barrel	1,384,409	11,213	-
		Gas	Mmscf	712	-	-

Production from Shwe project represented 26.8% of total oil and gas production from offshore projects, Zawtika 17.5%, Yetagun 13.6% and Yadana 42.1% in FY 2016-2017. Only Yetagun project produces condensate.

Production and Export from MOGE's own production

				Production	Export
MOGE's Own Production¹⁹¹	Onshore Blocks	Crude Oil	Barrels	1,692,824	-
		Gas	MMscf	17,201	-

Table 40 Offshore Oil and Gas Production, Domestic Sales and Export by Project for FY 2016-2017¹⁹²

Offshore Project	Gas (mmscf)			Condensate (Barrel)		
	Production	Domestic Sales	Export	Production	Domestic Sales	Export
Zawtika	114,411	25,359	85,582	-	-	-
Shwe	174,994	27,915	144,054	-	-	-
Yadana	274,507	60,265	211,092	-	-	-
Yetagun	88,895	-	81,483	1,793,798	733,232	1,051,664
Total	652,807	113,539	522,211	1,793,798	733,232	1,051,664

There are four producing offshore projects and three producing onshore projects operating by the operators.

Zawtika Project

It was awarded to PTTEP under production sharing contract for an area of 12,203 acres, located in the Gulf of Martaban where the MOGE holds 20% interest. It is a shallow water block and block number is M-9 with a natural gas reserve of 1.4 tcf. Development plan was approved in 2011 and completed in 2013. Commercial production started in 2014 and gas has been exported to Thailand. Environmental Impact Assessment (EIA) was carried out in February 2017.

¹⁸⁸Reconciliation Result for FY 2016-2017, FY 2015-2016 and FY 2014-2015

¹⁸⁹Reconciliation Result for FY 2016-2017

¹⁹⁰ MEITI data for FY2016-2017 reported by MOGE after adjustments

¹⁹¹ Production and Export data provided by MOGE

¹⁹² Reconciliation Result for FY 2016-2017

Table 41 Gas Production, Domestic Sales and Export of Zawtika Offshore for FY 2016-2017¹⁹³

PTTEP	Period	Production	Domestic Sales	Value	Export	Value	Price
		Gas (Mmscf)	Gas (Mmscf)	USD	Gas (Mmscf)	USD	USD
M-9 (Zawtika)	April-16	10,193	2,465	12,034,161	7,456	42,202,907	5,660
	May-16	10,786	2,460	12,015,356	7,972	45,256,663	5,677
	Jun-16	9,942	2,367	11,604,940	7,284	41,524,120	5,701
	Jul-16	8,241	1,497	6,355,491	6,526	33,434,424	5,123
	Aug-16	10,171	2,158	9,523,891	7,802	38,945,607	4,992
	Sep-16	9,625	1,673	7,261,668	7,606	39,561,342	5,201
	Oct-16	10,057	1,702	7,331,482	8,071	41,729,467	5,170
	Nov-16	9,942	2,165	9,593,607	7,493	38,879,085	5,189
	Dec-16	10,075	2,636	11,799,233	7,132	36,948,295	5,181
	Jan-17	10,318	2,383	11,126,009	7,628	41,513,811	5,442
	Feb-17	6,108	1,462	6,609,019	4,465	24,362,661	5,456
	Mar-17	8,952	2,392	11,195,929	6,146	33,527,417	5,455
Total		114,411	25,359	116,450,785	85,582	457,885,799	

Shwe

It was awarded to Posco Daewoo Corporation (Myanmar E&P Office) under a PSC for an area of 6,780 acres, located in Rakkhine Basin Bay of Bengal where ONGC Videsh Ltd., holds 17%, GAIL 8.5%, KOGAS 8.5% and the MOGE 15%. It is a combination of two shallow water blocks of A-1 and A-3. Posco Daewoo Corporation (Myanmar E&P Office) entered into a MoU with CNPC to purchase and transport natural gas to China. Targeted production of 500 mmscf was reached in 2014. There were 23 exploratory wells and 4.01 tcf of gas reserve.

Table 42 Gas Production, Domestic Sales and Export of Shwe Offshore for FY 2016-2017

PTTEP	Period	Production	Domestic Sales	Export		Price
		Gas (Mmscf)	Gas (Mmscf)	USD	Gas (Mmscf)	USD
A-1 & 3 (Shwe)	April-16	9,800	1,523	9,378,690	8,059	49,758,446
	May-16	12,845	2,328	14,317,638	10,274	63,430,302
	Jun-16	12,817	2,638	16,239,633	9,952	61,438,875
	Jul-16	15,924	2,174	12,800,719	13,491	79,692,048
	Aug-16	15,873	2,083	12,259,221	13,529	79,921,394
	Sep-16	15,249	2,016	11,875,866	12,976	76,653,186
	Oct-16	14,243	2,130	12,473,604	11,865	69,749,049
	Nov-16	14,358	2,231	13,063,709	11,873	69,801,075
	Dec-16	16,394	2,208	12,916,497	13,915	81,794,789
	Jan-17	14,895	2,686	16,134,242	11,953	71,921,220
	Feb-17	14,871	2,691	16,165,515	11,938	71,862,554
	Mar-17	17,725	3,208	19,248,341	14,229	85,656,005
Total		174,994	27,915	166,873,676	144,054	861,678,944

¹⁹³Reconciliation Result for FY 2016-2017

Yadana

It was awarded to TOTAL E&P under production sharing contract. It is a shallow water block situated at Moattama Basin where TOTAL holds 31.2%, PTTEP 25.5%, UNOCAL 28.3% and the MOGE 15%. It has a confirmed reserves of 150 bcf as of 1993. Gas pipeline was constructed in 1997 and two onshore pipelines are built and operated by TOTAL and delivery pipeline from Myanmar to Thailand is operated by PTTEP. Production was started in 1998 and commercial production was started in 2000. Gas is supplied to domestic market as per domestic market obligation terms of PSC and exported to Thai power plant under export gas sales agreement with PTTEP. Export gas transportation agreement was entered with Moattama Gas Transportation Company for pipeline transportation.

Table 43 Gas Production, Domestic Sales and Export of Yadana Offshore for FY 2016-2017

PTTEP	Period	Production	Domestic Sales	Value	Export	Value	Price
		Gas (Mmscf)	Gas (Mmscf)	USD	Gas (Mmscf)	USD	USD
M – 5&6 (Yadana)	April-16	22,500	4,812	13,000,550	17,412	78,018,680	4,481
	May-16	25,562	5,088	13,678,643	20,163	78,321,905	4,486
	Jun-16	23,478	4,621	12,418,438	18,495	76,039,622	4,486
	Jul-16	21,048	5,676	13,941,995	15,097	61,514,562	4,075
	Aug-16	24,084	4,830	11,772,700	19,010	77,301,230	4,066
	Sep-16	24,884	5,162	12,579,178	19,442	72,695,456	4,067
	Oct-16	26,012	5,349	12,913,414	20,321	70,312,693	4,014
	Nov-16	22,500	4,423	10,661,886	17,780	67,824,025	4,016
	Dec-16	21,634	5,030	12,170,208	16,274	65,038,063	4,014
	Jan-17	23,667	5,216	13,306,142	18,187	74,174,160	4,235
	Feb-17	19,184	5,297	13,526,569	13,599	57,424,335	4,223
	Mar-17	19,953	4,761	12,124,683	15,312	64,490,456	4,212
Total		274,507	60,265	152,094,406	211,092	843,155,189	

Yetagun

It was awarded to Petronas Carigali Myanmar Limited (PCML) under a PSC. It is a deep water block with an area of 24,130 sq. km where PCML holds 40.9%, PTTEP 19.3%, Nippon Oil Exploration 19.3% and the MOGE 20.5%. There are three oil blocks, M-12, M-13 and M-14. It was discovered by Premier Oil and contract was awarded to Premier Oil as operator and Texaco and Nippon Oil as partners. PCML became an operator after withdrawal of Premier in 2002 and Texaco in 1997. Condensate and gas is sold to domestic market as domestic market obligation terms of PSC and exported to Petroleum Authority of Thailand (PTT) through Taninthayi Pipeline Company (TPC).

Table 44 Gas Production, Domestic Sales and Export of Yetagun for FY 2016-2017

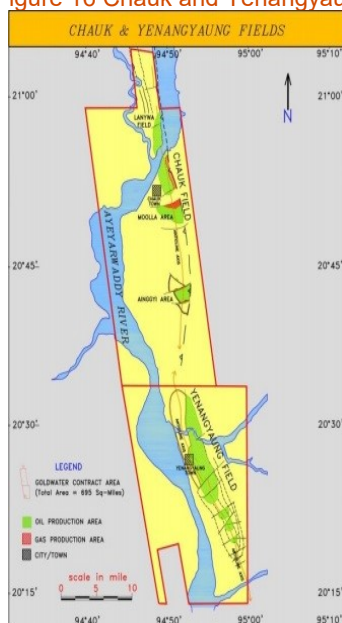
PTTEP	Period	Production	Domestic Sales	Value	Export	Value	Price
		Gas (Mmscf)	Gas (Mmscf)	USD	Gas (Mmscf)	USD	USD
M- 12, 13 & 14 (Yetagun)	April-16	6,082	-	-	5,587	27,091,014	4,849
	May-16	8,595	-	-	7,916	39,380,012	4,975
	Jun-16	8,178	-	-	7,523	34,957,853	4,646
	Jul-16	7,021	-	-	6,406	34,274,706	5,350
	Aug-16	8,174	-	-	7,501	40,239,239	5,365
	Sep-16	8,262	-	-	7,598	40,628,412	5,347
	Oct-16	8,186	-	-	7,531	39,793,344	5,284
	Nov-16	7,123	-	-	6,493	34,211,385	5,269
	Dec-16	6,455	-	-	5,870	30,964,009	5,275
	Jan-17	7,437	-	-	6,800	37,824,073	5,562
	Feb-17	7,076	-	-	6,480	35,981,385	5,553
	Mar-17	6,304	-	-	5,778	32,058,446	5,548
Total		88,895	-	-	81,483	427,403,879	

Table 45 Oil Production, Domestic Sales and Export of Yetagun Offshore for FY 2016-2017

PTTEP	Period	Production	Domestic Sales	Value	Export	Value	Price
		Condensate (Barrels)	Condensate (Barrels)	USD	Condensate (Barrels)	USD	USD
M- 12, 13 & 14 (Yetagun)	April-16	121,481	365,849	13,930,421	-	-	-
	May-16	171,337			-	-	-
	Jun-16	163,071			367,431	18,009,243	49
	Jul-16	142,169			-	-	-
	Aug-16	168,179			-	-	-
	Sep-16	168,367	367,384	16,548,808	-	-	-
	Oct-16	163,473			-	-	-
	Nov-16	144,541			333,313	14,964,407	45
	Dec-16	128,480			-	-	-
	Jan-17	151,094			350,921	19,413,273	55
	Feb-17	143,869			-	-	-
	Mar-17	127,737			-	-	-
Total		1,793,798	733,232	30,479,229	1,051,664	52,386,923	

Goldpetrol

Figure 16 Chauk and Yenangyaung Oil Fields¹⁹⁴



Chauk

Chauk oil block was discovered in 1902 and awarded to Goldpetrol (Interra Resources) under improved petroleum recovery (IPR) contract on 4th October 1996 where the operator takes 55% and the MOGE 45%. Original contract expired on 3 April 2017 and contract got extended till 3 April 2028.

Yenangyaung

Yenangyaung oil block was discovered in 1795 and production was started in 1887 by Burma Oil Company. It was awarded to Gold Petrol (Interra Resources) under Improved Petroleum Recovery (IPR) contract on 4th October 1996 where the operator takes 55% and the MOGE 45%. Original contract was expired on 3 April 2017 and extended till 3 April 2028.

¹⁹⁴ Interra Resource Quarter Report

Table 46 Production Volume and Value of Chauk and Yenangyaung Fields for FY 2016-2017

Goldpetrol	Period	Production Crude Oil (Barrel)
IOR - 2 & MOGE - 1	Apr-16	74,796
	May-16	77,280
	Jun-16	74,766
	Jul-16	76,533
	Aug-16	75,473
	Sep-16	74,483
	Oct-16	75,397
	Nov-16	71,394
	Dec-16	72,751
	Jan-17	72,453
	Feb-17	65,343
	Mar-17	72,451
Total		883,120
IOR - 2 (Chauk)	Apr-16	32,196
	May-16	33,681
	Jun-16	32,425
	Jul-16	32,589
	Aug-16	31,520
	Sep-16	31,864
	Oct-16	31,478
	Nov-16	29,231
	Dec-16	30,791
	Jan-17	30,710
	Feb-17	27,504
	Mar-17	30,614
Total		374,603
MOGE - 1 (Yenangyaung)	Apr-16	42,600
	May-16	43,599
	Jun-16	42,341
	Jul-16	43,944
	Aug-16	43,953
	Sep-16	42,619
	Oct-16	43,919
	Nov-16	43,919
	Dec-16	42,163
	Jan-17	41,960
	Feb-17	41,743
	Mar-17	37,839
Total		508,517

Mann Oil Block

It is situated in Magwe and it has three fields; Mann, Kanni and Htauk Shar Pin. The MOGE is an operator and MPRL E&P Pte Ltd. (Yangon Branch) was awarded as contractor under performance compensation contract (PCC) on 6 October 1996 where the MOGE took 20% and MPRL E&P Pte Ltd. (Yangon Branch) took 80%.¹⁹⁵ According to information provided by the MOGE, MOGE has amended the production sharing ratio and the MOGE currently takes 65% of the incremental production and MPRL takes 35%.

Table 47 Oil and Gas Production Volume and Value of Mann Oil Field for FY 2016-2017

PTTEP	Period	Production	
		Gas (Mmscf)	Crude Oil (Barrels)
Mann Oil Field	April-16	58	40,940
	May-16	63	42,036
	Jun-16	61	41,516
	Jul-16	53	42,564
	Aug-16	61	41,409
	Sep-16	59	40,972
	Oct-16	62	42,451
	Nov-16	58	41,437
	Dec-16	61	43,139
	Jan-17	61	42,878
	Feb-17	52	39,093
	Mar-17	63	42,855
	Total	712	501,289

Badammyar

It was awarded to TOTAL E&P under PSC. It is an extension of Yadana and situated 220 km south of Yangon. Production was started in May 2017 from 4 horizontal wells and gas is being sold to Myanmar and Thailand.

2.2.2.2 Minerals

Namtu Bawdwin mines, situated in Shan State, were the world largest source of lead and one of the world largest sources of silver before Second World War. They were operated by the Burma Corporation in early 20th century. Those mines are under the ME 1 of the MONREC. Win Myint Mo Industrial Co., Ltd has started with production sharing with the ME 1 since January 2010. Major minerals produced are lead, zinc and nickel and silver, copper matte and antimonial lead are also extracted. There is lead ore reserve of 3.55 MT underground and open pit ore of 8.6 MT. Refined lead, refined silver and zinc concentrates are produced. Majority of lead/ zinc produced are exported and silver and lead produced by the ME 1 is registered at the London Metal Exchange.¹⁹⁶

Sabe Taung, Kyisin Taung Project is situated in Salingyi Township, Monywa in Sagaing and Myanmar Ivanhoe Copper Company Limited (MICCL), a foreign company, took a joint venture with the ME 1. LME Grade a Cathode Copper is extracted from Kyisin Taung and Sabe Taung and later the mine was transferred. MICCL produced (264,036) tones of Cathode from 1998 to December 2010. Shares of the ME 1 were transferred to Economic Holding Ltd., formerly known as Myanmar Economic Holding Ltd, for USD 100 million and shares of Ivanhoe Myanmar Holding Ltd were transferred to Yang Tse Mining Ltd from the People's Republic of China for USD 100 million. Economic Holdings Ltd and Yang Tse Mining Ltd established Myanmar Yang Tse Copper Ltd and took over project in Sabetaung and Kyisintaung and has continued Cathode Copper production. Mineral exploration, feasibility study and large scale production permit was granted to Economic Holding Ltd for Letpadaung Taung Copper Project on 5th March 2010. Contract between Economic Holding Ltd. and Wanbao Mining Ltd. got amended with an advice from Letpadaung Taung Copper Project Investigation Commission, resulting ME 1 becoming a contracting party from 24th July 2013. 51 % of benefit is reserved for the government and 49% is shared among the companies operating. Cathode copper produced is registered at London Metal Exchange.¹⁹⁷

Yadana Theingi Mine Project is situated in Dobin Village, Naung Cho Township, Kyaukme District in Shan State. Feasibility study and exploration of the deposit were started in 1959. Substantial ore deposits were prospected in geological survey and exploration in 1967. Prospecting, preparation and development were undertaken simultaneously from 1968 to 1971. There was lead ore reserve of 1.2 million tons as at 1st April 2010. It was transferred to private company, Lin Pyae Mining Co., Ltd through entering into a PSC.¹⁹⁸

Mawchi mine in Kayah State was well known for its tin tungsten Scheelite mixed concentrate in the world market until most of the installations were destroyed during the Second World War. Tin and Tungsten mixed concentrates are also produced from various mines in Taninthayi division. Heinda, Kanbauk and Kalonta tin mine are major tin producing mines. All tin and tungsten mines have been privatised and transferred to Kayar Htarni Co., Ltd. At present, there is no state operated tin and tungsten mines except for one tin smelter in Thanlyin.¹⁹⁹

Kalewa underground coal mine and Namma opencast coal mine operate under ME 1 (used to be under ME 3). Mawdaung opencast mine in Taninthayi division produces over 500,000 tonnes annually which are exported across the border to Thailand.

¹⁹⁵ <https://energy.frontieryanmar.com/companies/exploration-and-production/local/mpri-ep>

¹⁹⁶ <http://www.mining.gov.mm/ME-1/mm/1.ME-1/mm/Details.asp?submenuID=12&sid=242>

¹⁹⁷ <http://www.mining.gov.mm/ME-1/mm/1.ME-1/details.asp?submenuID=11&sid=241>

¹⁹⁸ <http://www.mining.gov.mm/ME-1/mm/1.ME-1/mm/Details.asp?submenuID=12&sid=243>

¹⁹⁹ https://myanmariti.org/sites/myanmariti.org/files/publication_docs/spelling-checked-meiti_reconciliation_report_2015-2016updated_v2.pdf

Private-owned coal mines in Shan State are operated by nine local entrepreneurs for local consumption. A 120 MW coal fired power plant is being built at Tigyit in the Shan State and coal production will increase significantly in the near future.²⁰⁰

Kyaukpahtoe gold mine located in the Kawlin township Sagaing division is operated by Eternal Mining Co., Ltd. Private gold mines in Mandalay division, Sagaing division and Kachin States are being operated with production sharing contracts with ME 2. The government is working in joint venture with three foreign companies for exploration of gold and one of the companies is already at the production stage.²⁰¹

Iron ore from Kyatwinye iron mine located 26 miles to the South East of Pyin Oo Lwin were smelt at No. (1) Iron and Steel Plant at Pyin Oo Lwin where sponge iron, pig iron and steel, steel grinding balls and steel round bars are being produced for local construction works.²⁰² This has been transferred to the Ministry of Defence.²⁰³

Two types of limestone are produced in Myanmar depending on the physical properties; limestone that has a high calcium content with no outstanding physical appearance used as raw material for cement production and limestone with inclusions giving rise to beautiful a texture and colour is used as decoration limestone (also known as dimension stones). One of the outstanding decoration quality lime stone mine is situated near Loikaw. Limestone production is sufficient for the local cement industry²⁰⁴.

Comparison of annual production of minerals is set out in the table below.

Table 48 Comparison of Annual Production of Minerals²⁰⁵

	Production Value in million MMK 2014-15	Production Value in million MMK 2015-16	Change %	Production Value in million MMK 2016-17	Change %
Other Minerals	411,164	331,730	-19.32%	398,925	20.26%
Gold, Tin, Tungsten, Tin Tungsten Mixed, Tin Tungsten Scheelite Mixed	67,129	85,445	27.28%	69,140	-19.08%
Total	478,293	417,175	8%	468,065	1%

Comparison of annual export of minerals is set out in the table below.

Table 49 Comparison of Annual Export of Minerals²⁰⁶

	Export Value in million MMK 2014-15	Export Value in million MMK 2015-16	Change %	Export Value in million MMK 2016-17	Change %
Other Minerals	188,427	9,525	-94.94%	861,709	-
Gold, Tin, Tungsten, Tin Tungsten Mixed, Tin Tungsten Scheelite Mixed	5,172	3,398	-34.30%	-	-100%
Total	193,599	12,923	-129%	861,709	8847%

²⁰⁰https://myanmareiti.org/sites/myanmareiti.org/files/publication_docs/spelling-checked-meiti_reconciliation_report_2015-2016updated_v2.pdf

²⁰¹http://www.mining.gov.mm/ME-2_mm/1.ME-2_mm/Details.asp?submenuID=14&sid=811

²⁰²https://myanmareiti.org/sites/myanmareiti.org/files/publication_docs/spelling-checked-meiti_reconciliation_report_2015-2016updated_v2.pdf

²⁰³https://myanmareiti.org/sites/myanmareiti.org/files/publication_docs/spelling-checked-meiti_reconciliation_report_2015-2016updated_v2.pdf

²⁰⁴<https://myanmareiti.org/en/publication-category/meiti-reports>

²⁰⁵MEITI Reported Result for FY 2016-2017, FY 2015-2016 and FY 2014-2015

²⁰⁶Reconciliation Result for FY 2016-2017, FY 2015-2016 and FY 2014-2015

Details of production and export of the companies under ME 1 is set out in the table below.

Table 50 Production and Export of Companies under ME 1 for FY 2016-2017²⁰⁷

Minerals Type	Production				Export			
	Volume	Unit	Value (In million MMK)	Value in %	Volume	Unit	Value (In million MMK)	Value in %
Antimony Concentrate	425	MT	213	0.0%	1,080	MT	2,906	0.4%
Antimony Ore	2,780	MT	973	0.1%	1,138	MT	838	0.1%
Bantonite	600	MT	5	0.0%	-	-	-	0.0%
Barite	3,215	MT	39	0.1%	-	-	-	0.0%
Barite Powder	1,252	MT	125	0.1%	-	-	-	0.0%
Bauxite	8,791	MT	70	0.1%	-	-	-	0.0%
Cathode Copper	30,858	MT	92,573	23.2%	59,825	MT	363,635	42.2%
Chromium Ore	750	MT	60	0.0%	-	-	-	0.0%
Clay	75,934	MT	87	0.0%	-	-	-	0.0%
Coal	549,838	MT	8,520	2.2%	-	-	-	0.0%
Copper Ore	8,616	MT	431	0.1%	4,455	MT	170	0.1%
Dolomite	2,200	MT	10	0.0%	-	-	-	0.0%
Ferro Nickel	64,462	MT	275,769	69.2%	37,089	MT	460,536	53.5%
Fire Clay	3,000	MT	42	0.0%	-	-	-	0.0%
Granite	305	MT	5	0.0%	-	-	-	0.0%
Gypsum	338,489	MT	4,062	1.1%	-	-	-	0.0%
Iron Ore	8,405	MT	588	0.2%	2,500	MT	194	0.1%
Lead Concentrate	2,850	MT	228	0.1%	2,150	MT	889	0.1%
Lead Ore	20,322	MT	1,219	0.3%	18,200	MT	2,844	0.4%
Limestone	6,002,241	MT	7,193	1.8%	300	MT	32	0.0%
Limestone(decorative)	3,990	MT	251	0.0%	-	-	-	0.0%
Maganese dioxide	1,870	MT	57	0.0%	51,882	MT	1,477	0.2%
Marble	9,380	MT	350	0.0%	302	MT	228	0.1%
Ochre	7,860	MT	51	0.0%	-	-	-	0.0%
Petrified Wood	-	-	-	0.0%	133	MT	892	0.1%
Quartz	5,700	MT	80	0.0%	15,455	MT	288	0.1%
Zinc Concentrate	754	MT	113	0.0%	4,900	MT	2,501	0.3%
Zinc Ingot	-	-	-	0.0%	8,820	MT	23,002	2.7%
Zinc Ore	72,640	MT	5,811	1.5%	11,415	MT	1,277	0.0%
Total MT	7,227,526		398,925	100.0%	219,644		861,709	100%

²⁰⁷ Reconciliation Results for FY 2016-2017

Although there was 42,575.86 MT of gold were extracted by large-scale permit holders in FY 2016-2017, only 5,230.18 MT was paid to the ME 2.

Details of production and export of the companies under ME 2 is set out in the table below.

Table 51 Production and Export of Companies under ME 2 for FY 2016-2017²⁰⁸

Minerals Type	Production				Export			
	Volume	Unit	Value (In million MMK)	Value in %	Volume	Unit	Value (In million MMK)	Value in %
Tin	405	MT	2,511	4%	-	-	-	-
Tungsten	3	MT	36	0%	-	-	-	-
Tin Tungsten Mixed	519	MT	3,728	5%	-	-	-	-
Tin Tungsten Scheelite Mixed	297	MT	2,233	3%	-	-	-	-
Gold	46,482	Toz	60,631	88%	-	-	-	-
Total			69,140	100%	-	-	-	-

Comparison of annual production of minerals under ME 2 is set out in the table below.

Table 52 Annual Production of Minerals by companies under the ME 2²⁰⁹

Type of Commodity	Unit	FY 2014 - 2015	FY 2015 - 2016	FY 2016 - 2017
Tin	MT	536	452	405
Tungsten	MT	5	10	3
Tin Tungsten Mixed	MT	487	385	519
Tin Tungsten Scheelite Mixed	MT	614	242	297
Total Mineral	MT	1,641	1,088	1,223
Gold	Toz	42,182	54,400	46,482
Total Gold	Toz	42,182	54,400	46,482

Production quantity of the minerals are based on extraction after processing. Depending on the efficiency of the mineral processing, production quantity can vary. Since the first MEITI report, the mineral processing efficiency has not been evaluated. It is worthwhile to review the efficiency of the mineral processing technology being used. For example, tin-tungsten mixed were not separated and although tungsten price was higher than tin price, the mixture resulted in a lower price.

2.2.2.3 Gems and Jade

There are five gems tracts in Myanmar; Mogoke, Mineshu, Khamtee, Hparkant and Moe Nyin. Mogoke, situated in Mandalay Region, is the most well-known gem tract in Myanmar where about 80% - 90% of the world's rubies is estimated to be come from Myanmar. Ruby is found in Mogoke and Mineshu. Ruby and sapphire deposits are found in Nantya although the quality of rubies from Nantya deposits is not considered as good as those from Mogoke. Jadeite (jade) is primarily found in Hparkant, Moe Nyin and Khamtee. About 80%-90% of the world's jade is extracted from Myanmar and sold to Chinese buyers although jadeite is also found in Guatemala, Japan and America. Imperial jade from Myanmar is the most valuable in the world due to its translucent to almost transparent bright emerald green colour.

Jade production in FY 2015-2016 doubled that of Financial Year 2014-2015 and jade production in FY 2016-2017 slightly declined by 3.9%. Gems production declined by 20.6% in the Financial Year 2014-2015 and increased in FY 2015-2016 by 22.2% and declined again in FY 2016-2017 as the MGE stopped renewing expired permit from 01 April 2016.

²⁰⁸ Reconciliation Result for FY 2016-2017, FY 2015-2016 and FY 2014-2015

²⁰⁹ Reconciliation Result for FY 2016-2017, FY 2015-2016 and FY 2014-2015

Comparison of annual production of gems and jade is set out in the table below.

Table 53 Comparison Annual Production of Gems and Jade²¹⁰

	Production	Production	Production
	2014-15	2015-16	2016-17
Jade (Kg)	16,892,879	36,059,187	34,654,993
Gems (Carat)	11,039,786	13,483,382	10,147,050
Gems (KG)	8,832	23,572	31,676

Comparison of annual Emporium sales in Euro is set out in the table below.

Table 54 Comparison of Annual Euro Emporium Sales

	Emporium Sale (EURO)	Emporium Sale (EURO)	Emporium Sale (EURO)
	2014-15	2015-16	2016-17
Gems	7,064,866	5,351,538	4,968,911
Jade	800,489,750	566,762,988	670,943,593

Comparison of annual Emporium sales in MMK is set out in the table below.

Table 55 Comparison of Annual MMK Emporium Sales

	Emporium Sale (MMK)	Emporium Sale (MMK)	Emporium Sale (MMK)
	2014-15	2015-16	2016-17
Gems	1,960,038,305	1,690	5,974,877,272
Jade	111,888,482,431	68,496	45,160,678,939

2.2.2.4 Pearl

Pearl production is mainly based in the Myeik Archipelago. The very first pearl private company set up for foreign joint venture was Myanmar Tasaki Co., Ltd.

Myanmar Tasaki Co., Ltd based in Japan entered into a joint venture agreement with The MPE in 1997. IN 1998, Myanmar Atlantic Pearl Co., Ltd based in Australia entered into a joint venture agreement with the MPE to culture pearls in the Myeik Archipelago, specialising in the culture of South Sea pearls, the most valued and fetch the highest price pearl. The product sharing agreement give the MPE 25% of the pearls produced and then free to sell 75 % of the company that can be sold either locally or exported without giving rise to any further taxes. The largest buyers of Myanmar pearls are Japan, Hong Kong, and China.

Pearl production has increased over time although the growth rate was dropped in FY 2015-2016 to 2.1% from 20.8% in the Financial Year 2014-2015 but increased again in FY 2016-2017 to 18.2%.

Comparison of annual pearl production is set out in the table below.

Table 56 Comparison of Annual Production of Pearl²¹¹

	Production	Production	Production
	2014-15	2015-16	2016-17
Myanma Pearl Enterprise	79,954.89	89,855.92	107,508
Local and Foreign JV Companies	344,673.12	343,756.24	404,827
Total	424,628	433,612	512,334

²¹⁰ Reconciliation Result for FY 2016-2017, FY 2015-2016 and FY 2014-2015

²¹¹ Auditor General Report on Union Budget for FY 2016-2017

Revenue from export of extractive industry represented 32.9% of the total export revenue in FY 2016-2017 where oil and gas earned 24.8% and minerals and gems earned 8.1%.

Comparison of annual export of extractive industry is set out in the table below.

Table 57 Comparison of Annual Export of Extractive Industry²¹²

Industry	Currency	FY 2014-2015	FY 2015-2016	FY 2016-2017
		Value	Value	Value
Oil and Gas	USD in millions	4,899,232	4,694,238	2,643
Minerals	MMK in millions	193,599	12,923	861,709
Gems and Jade	EURO in millions	N/A	N/A	420
Pearls	USD in millions	N/A	N/A	21
Total		5,092,831	4,707,161	864,792

²¹²Auditor General Report on Union Budget for FY 2016-2017

2.3 Revenue Collection

In this section, types of revenue collected from the extractive industry for reconciliation are identified and discussed.

2.3.1 Comprehensive Disclosure of Taxes and Revenues

Tax revenue and non-tax revenue are generated from the extractive industry. Tax revenue includes various tax collected by the IRD and Custom duty and fees collected by the MCD.

The following various department and ministries collect the following taxes or fees:

1. The IRD collects the following taxes:
 - Under 1974 Income Tax Law, income taxes are collected through the following headings:
 - i. Corporate income tax is collected on taxable profit (i.e. net profit of the business after tax allowable deductions),
 - ii. Personal income tax is collected on taxable income,
 - iii. Capital gains tax is collected on gains on the disposal or transfer of capital asset,
 - iv. Withholding tax mechanism while payment to non-resident foreigners that are not registered with DICA are collected as final income tax assessment on the payment made to them.
 - Under the 1990 Commercial Tax Law, commercial tax is levied on goods imported into the country, on the sales of goods produced in Myanmar, services performed in Myanmar and trading of goods in Myanmar. In addition, export of a certain goods (i.e. crude oil and electricity) is also subject to commercial tax. There are lists of goods and services that are exempted from commercial tax under the tax law. In particular, production of crude oil for domestic sales and export of crude oil are subject to commercial tax of 5%.
 - Under 2016 Specific Goods Tax Law, specific goods tax is levied on a prescribed list of specific goods including oil and gas. In particular, specific goods tax of 8% is levied on the importation, production and export of natural gas.
 - Under 1899 Stamp Act, stamp duty is collected on the agreements entered into by the extractive companies.
2. The MCD collects Customs duty and other fees such as penalty, warehouse fees, MACSS fees, etc. Only customs duty is in the scope for reconciliation.
3. The MOGE collects royalties, signature bonus and data fee from extractive companies and transfer the same to the OGPD. In addition, the MOGE receives production split, production bonus and commerciality bonus from upstream oil and gas companies and profit share and right of way from oil and gas transportation companies in cash. The MOGE receives its production entitlements such as baseline production, and incremental share as in the form of oil and gas from onshore oil block contractors. The MOGE receives royalties in-kind from onshore oil block contractors under IPR contracts. The MOGE purchases all the production entitlement of the contractors of onshore oil blocks at fair market price and domestic market obligation at discount agreed in the contract and sell them to the government agencies and private entities.

We agreed with the MOGE that in-kind transactions are settled through delivery of oil and gas where cash transactions are in cash settlement. The MOGE is of the view that only royalty from IPR contract is settled as in-kind. The companies on IPR and PCC contracts, Goldpetrol and MPRL, are of the view that all amounts settled in-kind. We have 100% coverage in these transactions of these companies in the reconciliation and the production data of the companies is reconciled.
4. The Forest Department receives land fee and environmental/ plantation fee from extractive companies.

5. The DOM receives royalties from mineral companies, gems and jade companies and pearl companies. Mineral companies under the ME (1) pay royalties in cash except copper and nickel production companies that pay in-kind while those under the ME (2) pay royalties in-kind to the ME (2) and ME (2) in turn transfers cash to the DOM. Gems and jade and pearl companies pay royalties in cash.
6. The DGSE collects application fees from mineral exploration and feasibility study activities.
7. The ME (1) receives production split, application fees, rental and other fees from the extractive companies in cash. It receives production split in-kind for copper and nickels that are sold for revenue.
8. The ME (2) receives revenue from application fees and other fees such as penalty, rental from the extractive companies in cash. Production split is received as in-kind that are sold for revenue.
9. The MGE collects commercial tax and specific goods tax on behalf of the IRD. It receives revenue from sales split, service fees, supervision fee, penalty on cancelled bids and rental in cash. In addition, the MGE receives production split in kind for a certain gems and jade that are sold for revenue.
10. The MPE collects license fees, royalty (nucleus insertion fee), other fees such as registration fees, rental fees and penalty in cash. In addition, it receives production split as in-kind.

The details of revenue received by the above government agencies and SOEs for FY 2016-2017 are set out in the reconciliation section.

2.3.2 Sales of the State Production or Other Revenues Collected In-kind

Revenues collected in-kind are commercialised by the government agencies and SOEs.

The following ministries received the following in-kind payments during FY 2016-2017:

1. As discussed earlier, the MOGE receives royalties in-kind from onshore oil block contractors under IPR contracts and receives its share of cost recovery and production entitlements such as baseline production and incremental share. In addition, it buys domestic market obligations at agreed discounted price and the contractor's entitlement at fair market price from onshore oil block contractors. Those are then sold to refineries, gas turbines and private entities.
2. The ME (1) receives production split in-kind for copper and nickel. Some of them were sold to private and government entities.
3. The ME (2) receives production split in-kind and tin and refined tin were sold to private and government entities while gold to Shwedagon Pagoda, the CBM.
4. The DOM receives royalties in kind for copper and ferro nickel. Some of them were sold to Ministry of defence, Shwedagon Pagoda and other companies.
5. The MGE receives production split in-kind but no gems or jade was sold during FY 2016-2017, instead some of them were used for further processing. However, the MGE sold the gemstone seized from illicit trades at the Emporium.
6. The MPE receives pearls in-kind from the joint venture companies and produces pearls from its own farm. Pearl received were sold at domestic and foreign auctions.

Table 58 Non-tax Revenue from Sales from DoM and SOEs (FY 2016-2017)²¹³

MMK in Billion	
Sub Sector	Non-Tax Revenues from Sales
The MOGE	769.57
The DOM	6.00
The MGE	-
No. (1) and The ME (2)	25.09
The MPE	15.90
Total	816.56

²¹³ Reconciliation result for FY 2016-2017

2.3.3 Infrastructure Provisions and Barter Arrangements

Under the EITI standard, it is required to consider whether there are any agreements, or sets of agreements involving the provision of goods and services in full or partial exchange for oil, gas or mining exploration or production concessions or physical delivery of such commodities.

Based on the reporting templates submitted by the companies in the scope and the government agencies and SOEs, there was no infrastructure provision or barter arrangement between companies and government agencies or SOEs for FY 2016-2017.

2.3.4 Transportation Revenue

Implementing countries are required to report material revenues from the transportation of oil, gas and minerals in project level. In Myanmar, transportation revenue exists only in the oil and gas sector. Offshore oil and gas are exported to China and Thailand through pipelines. Pipeline companies are private companies where the MOGE has an equity interest in each company. The MOGE receives dividends as profit sharing and right of way as revenue from the pipeline companies. In FY 2016-2017, oil and gas transportation revenue was 16.6% of the total oil and gas revenue.

Details of oil and gas companies and oil and gas transportation companies are set out in the table below.

Table 59 Tax and Non-tax Revenue from Oil and Gas and Oil and Gas Transportation Companies for FY 2016-2017²¹⁴

Sector	Tax Revenue	Non-Tax revenue	Non-Tax Revenue (Sale of State Share)	Personal Income Tax	Social Security Board Contributions	Contribution to State / Region social development fund	Social Payments	Total Revenue
Oil and Gas	9,033	1,486,917	2,957	17,007	751	-	9,088	1,525,753
Oil and Gas Transportation	152,075	129,573	-	7,399	63	-	3,308	292,418
Total	161,108	1,616,490	2,957	24,406	814	-	12,396	1,818,171

2.3.5 Transactions Related to State-Owned Economic Enterprises

It is important to ensure that reporting process comprehensively addresses the role of SOEs, including material payments to SOEs from oil and gas and mining companies, and transfers between SOEs and other government agencies. SOEs are operating under the State-owned Economic Enterprises Law that was promulgated on 31 March 1989. Revenue received by SOEs that were transferred to different government agencies are summarised in the table below.

Table 60 Transfer from SOEs to Government Agencies in FY 2016-2017²¹⁵

SOE	Amount Received by SOE	Transfer from SOE to Government Agencies for FY2016-17					Transfers to Union Fund Account (Other Account)	Total
		IRD & MCD	OGDP	Central Committee ²¹⁶	DOM	State Contribution		
MOGE	1,838,738	635,355	448,943	-	-	115,082	747,439	1,946,819
MGE	209,397	39,059	-	485	-	31,136	50,156	120,836
ME 1	17,754	1,773	-	-	-	1,419	8,268	11,460
ME 2	27,505	9,185	-	-	1,347	6,066	7,522	24,120
MPE	15,926	5,129	-	-	-	3,920	5,566	14,615
Total	2,109,320	690,501	448,943	485	1,347	157,623	818,951	2,117,850

Amount in MMK million

²¹⁴ Reconciliation result for FY 2016-2017

²¹⁵ Reconciliation result for FY 2016-2017

²¹⁶ Reconciled revenue and unilateral reporting by MGE for Central Committee collections

2.3.5.1 Relationship between SOEs and the Government

Under the State-owned Economic Enterprises Law, the Government has the sole right to carry out the following: (1) exploration, extraction and sales of petroleum and natural gas and production of products of the same; (2) exploration and extraction of pearl, jade and precious stones and export of the same and (3) exploration and extraction of metals and export of the same. The Government also has the right to constitute or reconstitute organisations that are to undertake responsibility and to prescribe their duties and power and constitute one more bodies to supervise the organisations and prescribe their duties and power through notifications.

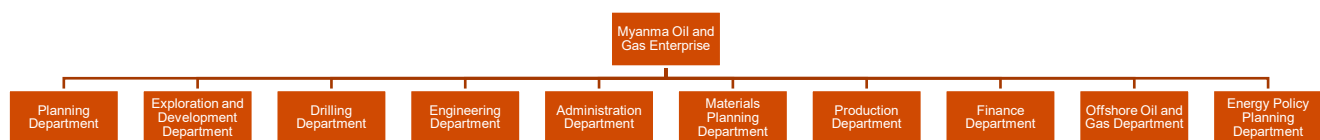
The OECD's comparative report "Corporate Governance of SOEs" suggested to look at the level of government ownership, the way enterprises were founded, the position in the public administration hierarchy, the purpose and status of enterprise.²¹⁷ Myanmar SOEs are owned and founded by the Union Government at the central level and income and expenditures are approved through union budgetary process. Although they are founded in order to be independent and profitable, there are still subsidies to the Union level organisations and other SOEs that caused decline in their profitability.

2.3.5.2 Oil and Gas Enterprises

2.3.5.2.1 Myanmar Oil and Gas Enterprise

The MOGE is a SOE and is responsible for exploration and production of petroleum in Myanmar and has exclusive rights to carry out all oil and gas operations with private contractors. The MOGE is composed of nine departments as in the figure below.

Figure 17 Organisation Structure of the MOGE²¹⁸



The MOGE plays an important role in management of oil and gas sector for the Union Government, including policy-making, regulation and oversight, commercial participation and revenues collection. The MOGE has an exclusive right to carry out all upstream oil and gas operations with contractors and also has the right to take 15% to 25% interest in some of the oil and gas projects. Revenues generated by the MOGE has been the largest share in the extractive sector.

The MOGE is responsible for the upstream oil and gas and oil and gas transportation sectors and its responsibilities are as follows:

- i. Exploring and producing oil and gas with its own resources;
- ii. Supplying domestic natural gas through its own pipelines;
- iii. Supplying compressed natural gas (CNG) as a substitute fuel for vehicles; and
- iv. Participating in and overseeing production sharing contracts.

Details of the roles and responsibilities of various departments of the MOGE can be found on its [website](#).

Furthermore, the MOGE is responsible for monitoring and collection of various payment streams under PSC such as State's share of profit petroleum, signature bonus and production bonus, commerciality bonus, data fees, and royalty that the contractor pays in cash. The MOGE transfers royalty, signature bonus, and commerciality bonus to the OGPD.

In addition to the above, it is understood from the MOGE approves contractor's appraisal programmes, development plans, work plans and annual budgets, monitors contractor's performance against agreed obligations during exploration periods, assesses contractor's valuation of crude oil and oversees contractor training programs under the terms of PSC and provides logistical assistance, identifies subcontractors and service providers and assists to obtain visas, work permits, approvals, transportation and security and strengthens commercialisation capacities by setting up joint ventures with private companies to provide support services such as seismic surveys, drilling support and pipeline development.

²¹⁷ <https://www.oecd.org/daf/ca/35176172.pdf>

²¹⁸ <http://www.moee.gov.mm/en/ignite/page/384>

Production of oil and gas from offshore and onshore blocks contracts are summarised in the table below.

Table 61 Production of Oil and Gas from Offshore and Onshore Contracts for FY 2016-2017²¹⁹

Oil & Gas			Production
Offshore	Condensate	Barrel	1,793,798
	Gas	Mmscf	652,807
Onshore	Crude Oil	Barrel	1,384,409
	Gas	Mmscf	712
Total	Condensate	Barrel	1,793,798
	Crude Oil	Barrel	1,384,409
	Gas	Mmscf	653,519

Details of UFA (OA) of the MOGE is set out in the table below.

Table 62 UFA (OA) of the MOGE for FY2016-2017

No.		2016 - 2017
1	Opening Balance as of 01 April 2016	4,851,513
2	Add: Total Received Amount	2,468,434
	In-flow of revenues during the year	
	a) Sale of Crude Oil	102,796
	b) Sale of Natural Gas	829,904
	c) Sale of CNG	40,315
	d) Others	1,495,419
3	Less: Total Expenditure Amount	1,720,995
	Payments made during the year	
	a) Salary and wages	20,726
	b) Material and Labour Contract Charges	401,598
	c) Repair and Maintenance Expenditures	17,314
	d) Others	1,281,357
4	Closing balance as of 31 March 2017	5,598,952

MMK in Million

It was noted that the amount of cash in the Other Account mentioned in the above table was budgeted as revenue in the 2016-17 Union Budget and it was also allocated to the Union expenditure based on the budgeted revenue. Therefore, the balance amount is to be debited as assets in SOEs and credited as liability to the government. Regarding SOEs' Other Account, it will be changed from 2019-20 fiscal year with NECC's decision and Government's permission.²²⁰ The MOGE's retained earnings as at 31 March 2017 was MMK 2,817.63 billion.

2.3.5.2.2 Myanmar Petrochemical Enterprise (MPE)

The MPE was formerly known as Petrochemical Industries Corporation in 1975 and later changed to the MPE in 1989. The MPE is also a SOE under MOEE and is responsible for downstream petroleum sector in Myanmar production of petroleum and petrochemical products, urea fertiliser from crude oil and natural gas, transportation and movement of crude oil and petroleum products and marketing of LPG, urea fertiliser, motor gasoline and high speed diesel. Petroleum sector consists of refineries, liquefied petroleum gas plants and fertiliser plants.²²¹

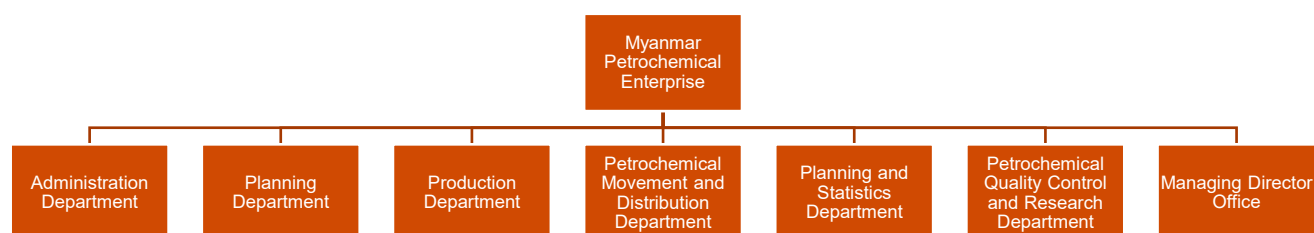
²¹⁹ Production reported by the MOGE for FY 2016-2017

²²⁰ Comment provided by the Budget Department

²²¹ <http://www.moee.gov.mm/en/ignite/page/415>

The MPE is composed of eight departments as seen in the figure below:²²²

Figure 18 Organisation Structure of the MPE



MPE has a vision of enhancing its production capacity of petroleum and petrochemical products using oil and natural gas from onshore and offshore oil blocks in an environmental friendly production with energy saving technologies.

MPE has three refineries as discussed below.²²³

1. No.1 Refinery (Thanlyin) is located in (Thanlyin), Yangon region and is operating at 20,000 barrels per operating day since 1963. It has three crude oil distillation (COD) units, one coke plant (5,200 BPSD), one candle plant (1.5 tons/day), one SBP Plant (50,000 IG/day), one lube oil blending unit (25,000 MT/year). COD (A) was constructed in 1955 and was decommissioned in 2005 due to safety requirements. Only COD (B) and COD (C) are in operations. Myanmar Liquefied Terminal (MLT) was constructed with the LPG storage capacity of 5,550 MT in 1985. In the past, No.1 Refinery (Thanlyin) previously processed local crude oil only but starting from 1990, imported crude oil is also processed. Condensate from Yetagun gas field is also processed starting from 2002. The main products are gasoline, diesel, ATF (Aviation Turbine Fuel) and SBP (Special Boiling Point). No.1 Refinery (Thanlyin) is currently operating as they are reviewing its production capacity and profitability.
2. No.2 Refinery (Chauk) is situated in Chauk, Magway Region. It was built by Foster Wheeler Company from England in 1954 and it has atmospheric distillation tower, vacuum tower and wax plants. It processed only local crude oil and production capacity was designed for 6,000 BPSD but current running capacity is 2,285 BPSD. The main products are gasoline, kerosene, diesel, wax, fuel oil (FO), and blue oil.
3. Mann (Thanbayakan) refinery is located near Thanbayarkan village in Minhla Township, Magway Region. It was built in 1982 with capacity of 25,000 BPSD by Mitsubishi Heavy Industry and production was started in 1986. The products are LPG, gasoline, kerosene, ATF (Aviation Turbine Fuel), diesel, fuel oil (FO), and petroleum coke. It is currently operating at the capacity of 8,600 BPSD (300,000 gallons per day).

MPE also has 5 urea plants. No. 1 Fertiliser Factory is operating in Sa-le at 205 Tons per day, No. 2 in Kyun Chaung at 207 Tons per day, No. 3 in Kyaw Zwa at 600 Tons per day, and No. 4 in Myaungdaga and No. 5 in Kangyidaunt at 500 Tons per day. Only three factories, No. (1) Urea Fertiliser Factory in Sa-Le, No. (4) Urea Fertiliser Factory in Myaungdaga and No. (5) Urea Fertiliser Factory in Kangyidaunt are in operation at the total capacity of 700 Tons per day. The other two factories are shut down temporarily due to limited supply of natural gas.²²⁴

In addition, there are three LPG plants, one methanol plant and one bitumen plant operating under MPE. One LPG plant is in Minbu operating at 24 mmscf per day since 1986, one in Nyaungdon operating at 10 to 16 mmscf per day and another in Kyunchaung operating at 8 to 10 mmscf per day since 2010. Of which No. (1) LPG Plant in Minbu and No. (2) LPG Plant in Nyaung Don are in operation. No. (3) LPG Plant in Kyunchaung is moved to Nyaung Don near No. (2) LPG Plant and it will resume its LPG production. They are operating at the total capacity of LPG 30 MT and Naptha 18 MT per day in order to supply local demand. MPE has entered into a leasing contract with Yadanasu Co., Ltd., a local company, on 25 October 2017 to lease No. (2) LPG Plant and No. (3) LPG Plant, four LPG stations in Yangon and Hmawbi for 30 years. Through increased production of LPG, LPG is planned to be used as cooking fuel.²²⁵

There is a Methanol plant in Seiktha operating at 450 MT per day and bitumen plant in Thanlyin operating at 548 MT per day.

²²² <http://www.moee.gov.mm/en/ignite/page/417>

²²³ <http://www.moee.gov.mm/en/ignite/page/439>

²²⁴ <http://www.moee.gov.mm/en/ignite/page/439>

²²⁵ <http://www.moee.gov.mm/en/ignite/page/439>

Production of MPE is summarised from the CSO Yearbook 2017 in the table below.

Table 63 Production of Myanmar Petrochemical Enterprise ²²⁶

Sr.	Type of Commodity	Production		Change %
		2015-2016	2016-2017	
1	Petroleum coke (MT)	12,986.00	12,171.00	-6.3%
2	Motor Spirit ('000 Gallons)	44,198.00	44,742.00	1.2%
3	Diesel Oil	39,540.00	39,917.00	1.0%
4	Liquefied Petroleum Gas	4,132.00	3,248.00	-21.4%
5	Furnace Oil	8,639.00	16,251.00	88.1%
6	Aviation Turbine	4,354.00	4,253.00	-2.3%
7	Kerosene	66.00	36.00	-45.5%

A new refinery is planning to be built near Thanbayarkan Refinery with a capacity of 2 to 5 million tons per year using crude oil from South East Asia Crude Oil Pipeline. EIA and SIA were carried out and reports were submitted to the MONREC via MOEE for the new refinery project. ²²⁷

MPE entered into joint venture agreement with AVA Kahyasis Investments Ptes., Ltd from Singapore and Same Sky Construction Co., Ltd and Guiding Star Group Ltd from Republic of the Union of Myanmar and set up a joint venture company called Asia AVA Gas Co., Ltd to carry out LPG businesses such as importation, storage and distribution. Project site is situated on 31.78 acres land in Bogyoke Village in Thanlyin Township and initial investment is USD 60 million and investment was permitted for 50 years. With the vision of supplying LPG as cooking fuel, MPE leased its existing LPG terminal in Thanlyin for one year to Parami Energy Services Co., Ltd who was awarded leased out of nine companies. Parami Energy Services Co., Ltd will import, store, distribute and do marketing of LPG. ²²⁸

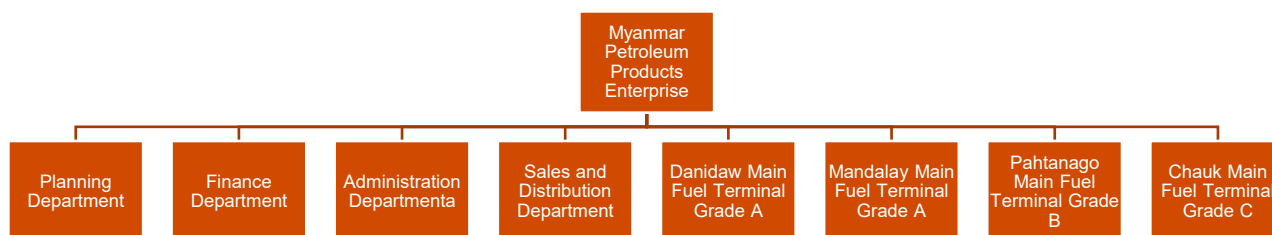
2.3.5.2.3 Myanmar Petroleum Products Enterprise (MPPE)

The MPPE is one of the SOEs under the MOEE. It was established as Petroleum Products Corporation on 1 April 1975 under No. (2) Ministry of Industry and later changed to the MPPE on 1 April 1989. ²²⁹

The MPPE distributes petroleum produced by Myanmar Petrochemical Enterprise and is a regulator for private fuel import, storage and distribution. 261 out of 273 petrol stations run by MPPE were privatised starting from June 2010. It is destined to form a Public Private Partnership (PPP) company when there is an experienced foreign company with strong capital investment to form a joint venture. ²³⁰

MPPE has eight departments as seen in the figure below: ²³¹

Figure 19 Organisation Structure of the MPPE



There are four main petrol storage and distribution departments, 19 storage and distribution sub-departments, five storage and distribution stations, eleven jet fuel sections, 14 regional distribution offices and 12 state-owned petrol stations under the MPPE.

260 fuel stations of the MPPE were privatised in 2010 and there were 2,065 privately-owned fuel retail stations licensed by the MPPE as of 22 February 2017. 25% of fuel retail stations are situated in Mandalay, 15% in Shan State and 10% in Bago and Ayeyarwaddy. Yangon has 7% of the total number of fuel retail stations. 2,089 license were granted for fuel retail stations, 8 for storage, 14 for vessels and 13 for airports by the MPPE as of 30 November 2017. ²³²

²²⁶ CSO Yearbook 2017

²²⁷ <http://www.moee.gov.mm/en/ignite/page/440>

²²⁸ <http://www.moee.gov.mm/en/ignite/page/440>

²²⁹ <http://www.moee.gov.mm/en/ignite/page/449>

²³⁰ <http://www.moee.gov.mm/en/ignite/page/449>

²³¹ <http://www.moee.gov.mm/en/ignite/page/451>

²³² <http://www.moee.gov.mm/en/ignite/page/449>

Table 64 License Allocation for Distribution of Petroleum Products by the MPPE as at 30 November 2017²³³

Sr.	Region	Stations	Storage	Vessel	Airport
1	Nay Pyi Taw	72	-	-	2
2	Yangon	153	7	2	1
3	Mandalay	534	-	-	1
4	Ayeyarwaddy	208	-	2	-
5	Bago	225	-	-	-
6	Saggaing	153	1	-	-
7	Magway	138	-	-	-
8	Tanintharyi	16	-	3	3
9	Kachin	73	-	-	1
10	Kayar	13	-	-	-
11	Kayin	32	-	-	-
12	Chin	1	-	-	-
13	Mon	102	-	4	1
14	Rakkhine	33	-	3	2
15	Shan	336	-	-	2
	Total	2,089	8	14	13

MPPE is processing 788 license applications for petrol retail stations, three license applications for storage and 66 license application for vessels as at 30 November 2017.

Table 65 License Application in Process at MPPE as at 30 November 2017²³⁴

Sr.	Region	Stations	Storage	Vessel	Airport
1	Nay Pyi Taw	19	-	-	-
2	Yangon	77	2	58	-
3	Mandalay	156	1	-	-
4	Ayeyarwaddy	65	-	-	-
5	Bago	77	-	-	-
6	Saggaing	70	-	-	-
7	Magway	32	-	-	-
8	Tanintharyi	19	-	7	-
9	Kachin	49	-	-	-
10	Kayar	3	-	-	-
11	Kayin	16	-	-	-
12	Chin	6	-	-	-
13	Mon	37	-	-	-
14	Rakkhine	23	-	1	-
15	Shan	139	-	-	-
	Total	788	3	66	-

MPPE is responsible for fuel distribution to state-owned economic enterprises, corporations and ministries, including airports. MMPE supplies 29m gallons of jet fuels to 11 airports annually. It is one of the biggest loss-making SOEs due to subsidies and fuel allocation to various government entities. Fuel prices of MPPE during FY 2016-2017 to SOEs and Ministry of Defence were set out in the table below:²³⁵

Table 66 Fuel Prices of MPPE to SOEs and Ministry of Defence in FY2016-2017

Sr.	Date	Price for State-owned (MMK per gallon)			Price for Defence (MMK per gallon)		
		Gasoline	92 Ron	Diesel	Gasoline	92 Ron	Diesel
1	April 2016	2,450	2,500	2,250	2,350	2,400	2,100
2	May 2016	2,450	2,500	2,250	2,350	2,400	2,100
3	June 2016	2,450	2,500	2,250	2,350	2,400	2,100
4	July 2016	2,575	2,500	2,550	2,450	2,500	2,400
5	August 2016	2,500	2,500	2,550	2,450	2,500	2,400
6	September 2016	2,500	2,500	2,400	2,375	2,450	2,200
7	October 2016	2,500	2,500	2,550	2,375	2,450	2,380
8	November 2016	2,500	2,500	2,550	2,375	2,450	2,380
9	December 2016	2,500	2,500	2,650	2,375	2,500	2,550
10	January 2017	2,650	2,500	2,650	2,375	2,500	2,550
11	February 2017	2,650	2,500	2,800	2,550	2,730	2,650
12	March 2017	2,900	2,500	3,100	2,800	3,000	2,950

Puma Energy, a Singapore-based company, won jet fuel tender and a new venture, called National Energy Puma Aviation Services (NEPAS), was formed where MPPE invested \$26m in terms of machinery and equipment as a 51% shareholder. NEPAS is servicing 11 airports in 7 regions as of late 2018, including airports in Yangon, Mandalay, Naypyitaw, Myitkyina, Myeik, Dawei,

²³³<http://www.moee.gov.mm/en/ignite/page/474>

²³⁴<http://www.moee.gov.mm/en/ignite/page/474>

²³⁵<http://www.moee.gov.mm/en/ignite/page/455>

Kawthaung, Sittwe, Kyaukphyu, Heho and Tachileik. A subsidiary of KMA Group and a subsidiary of Asia World have applied to take part in jet fuel operations.²³⁶

MMPE started looking for partners in Fuel retail and distribution for its 12 stations and India Oil Corporation, Puma Energy, Pertamina and Idemitsu Kosan International submitted bids but Idemitsu Kosan International withdrew. However, the winner was not yet announced.²³⁷

2.3.5.3 Mining Enterprises

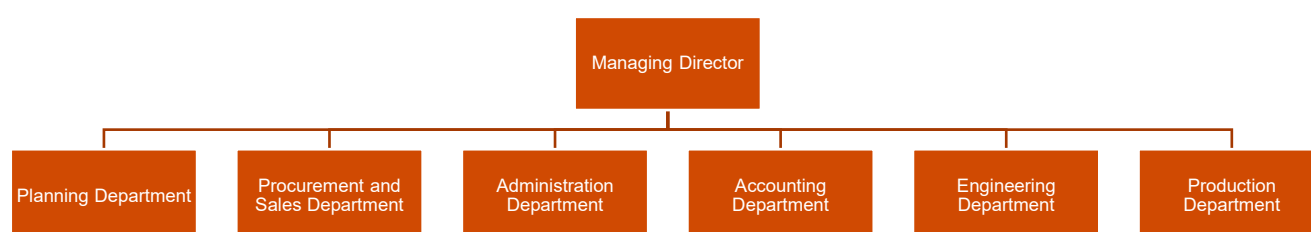
Previously, there were three mining enterprises, the ME (1), the ME (2) and the ME (3). The ME (3) wound up on 1 April 2015 and was absorbed by the ME (1).

2.3.5.3.1 No. (1) Mining Enterprise

The ME (1) is a SOE and is responsible for extracting industrial minerals such as lead, copper, coal, limestone through entering into production sharing contracts with local and foreign companies. The ME (1) is responsible for mining metallic minerals and industrial mineral.²³⁸

The ME (1) is composed of six departments as seen in the figure below:²³⁹

Figure 20 Organisation Structure of the ME (1)



For FY 2016-2017, ME (1) reported a profit of MMK 11.675 billion.

Table 67 Annual Revenue and Profit of the ME 1²⁴⁰

Sr.	Description	FY 2014-2015 MMK (Billion)	FY 2015-2016 MMK (Billion)	FY 2016-2017 MMK (Billion)
1	Sales - Other Minerals	0.71	1.14	0.98
2	Production Split - 30%	30.34	11.28	14.34
3	Other Income	1.16	6.67	1.13
	Total Revenue	32.21	19.10	16.45
	Profit	2.89	8.28	11.68

²³⁶ <http://www.moee.gov.mm/en/ignite/contentView/106>

²³⁷ <http://www.moee.gov.mm/en/ignite/contentView/106>

²³⁸ <http://www.mining.gov.mm/ME-1/1.ME-1/Details.asp?submenuID=11&sid=124>

²³⁹ <http://www.mining.gov.mm/ME-1/1.ME-1/Details.asp?submenuID=11&sid=570>

²⁴⁰ Auditor General Audit Report on Union Budget for FY 2016-2017

Details of UFA (OA) of the ME (1) reported to the IA is set out in the table below:

Table 68 UFA (OA) of the ME 1²⁴¹

No.		2016 - 2017
1	Opening Balance as of 01 April 2016	54,344
2	Add: Total Received Amount	16,588
	In-flow of revenues during the year	
	a) Production Split	15,517
	b) Sale (Mill Tailing)	984
	c) Application Fees	87
3	Less: Total Expenditure Amount	7,792
	Payments made during the year	
	a) Pension Expenditure	3,692
	b) Corporate Income Tax expenditure	1,773
	c) State Contribution	1,419
	d) Salary & Wages	908
4	Closing balance as of 31 March 2017	63,140

MMK in Million

It was noted that the amount of cash in the Other Account mentioned in the above table was budgeted as revenue in the 2016-17 Union Budget and it was also allocated to the Union expenditure based on the budgeted revenue. Therefore, the balance amount is to be debited as assets in SOEs and credited as liability to the government. Regarding SOEs' Other Account, it will be changed from 2019-20 fiscal year with NECC's decision and Government's permission.²⁴²

2.3.5.3.2 No. (2) Mining Enterprise

The ME (2) is responsible for mining tin concentrate, tungsten concentrate, tin – tungsten mixed concentrate, tin – tungsten – Scheelite mixed concentrate and gold. Several production sharing agreements are entered into with local and foreign companies.²⁴³

The ME (2) is composed of eight offices and led by Managing Director as seen in the figure below:²⁴⁴

Figure 21 Organisation Structure of the ME (2)



The ME (2) permits to extract tin, tungsten, scheelite mixed and gold through joint venture by entering into production sharing contract. Production split is received in-kind and thereafter sells the gold and minerals in local and export market.

²⁴¹ Provided by ME (1) to the IA for FY 2016-2017

²⁴² Comment provided by the Budget Department

²⁴³ <http://www.mining.gov.mm/ME-2/1.ME-2/Details.asp?submenuID=13&sid=40>

²⁴⁴ <http://www.mining.gov.mm/ME-2 mm/1.ME-2 mm/Details.asp?submenuID=14&sid=735>

Production and actual production split received by The ME (2) is summarised in the table below.²⁴⁵

Table 69 Production and Production Split Received by the ME (2)

Sr.	Type of Commodity	Unit	FY 2015-2016		FY 2016-2017	
			Production	ME 2	Production	ME 2
1	Tin	MT	451.44	170.95	404.62	144.76
2	Tungsten	MT	10.27	3.64	2.56	2.56
3	Tin and Tungsten Mixed	MT	384.72	126.94	518.91	175.02
4	Tin, Tungsten and Scheelite Mixed	MT	241.96	79.80	297.30	93.15
5	Tin (Thanlyin)	MT	91.08	-	62.22	62.17
	Total Mineral	MT	1,179.47	381.33	1,285.61	477.66
6	Gold - Large Scale	Toz	42,177.55	8,204.92	42,575.86	5,230.18
7	Gold - Small Scale	Toz	12,222.00	6,111.00	3,906.00	1,927.80
	Total Gold	Toz	54,399.55	14,315.92	46,481.86	7,157.98

A total of 680.39 MT of minerals were sold for MMK 9.66 billion and 9,700.22 Toz of gold for MMK 15.43 during FY 2016-2017. Details of minerals sales in terms of volume and value by category is provided in the reconciliation section.

Table 70 Sales of Minerals and Gold by the ME²⁴⁶

Description	FY 2015-2016	FY 2016-2017
Sales of Mineral (MT)	3.33	680.39
Revenue from Mineral Sales (MMK Billion)	0.06	9.66
Sales of Gold (Toz)	20,268.62	9,700.22
Revenue from Gold Sales (MMK Billion)	27.98	15.43
Total Revenue (MMK Billion)	28.03	25.08

The ME (2) profit shows a consistent decline until FY 2015-2016 where it showed a 10.8% increase but a significant decline by 48.8% in FY 2016-2017.

The ME (2) transferred advance state contribution of MMK 2.356 billion to The Union Fund Account and an advance income tax of MMK 3.733 billion to the IRD. For FY 2016-2017, it reported a closing balance of MMK 103.777 billion in its UFA (OA) and an outstanding receivable of gold 14,521.24 tickles after writing off receivable of 2,730.98 tickles.²⁴⁷

Details of UFA (OA) of the ME (1) reported to the IA is set out in the table below:

Table 71 UFA (OA) of the ME ²⁴⁸

No.	SOE/SEE	2016 - 2017
1	Opening Balance as of 01 April 2016	96,256
2	Add: Total Received Amount	29,466
	In-flow of revenues during the year	
	a) Gold and Mineral Sale	25,084
	b) Sign Bonus (Application Fee)	388
	c) Other income J.V.	600
	d) A/C Transfer	2,393
	e) Before year ending surplus for State Contribution and Commercial Tax	985
	f) Arrest, Reagent of Sale	16
3	Less: Total Expenditure Amount	21,945
	Payments made during the year	
	a) State Contribution	6,066
	b) Income Tax	8,811
	c) A/C Transfer	2,393
	d) Raw Materials	4,531
	e) Petrol, Oil and Lubricants	143
	f) Commercial Tax	-
4	Closing balance as of 31 March 2017	103,777

MMK in Million

²⁴⁵Auditor General Audit Report on Union Budget for FY 2016-2017

²⁴⁶ Auditor General Audit Report on Union Budget for FY 2016-2017

²⁴⁷ Auditor General Audit Report on Union Budget for FY 2016-2017

²⁴⁸ Provided by ME (2) to the IA for FY 2016-2017

It was noted that the amount of cash in the Other Account mentioned in the above table was budgeted as revenue in the 2016-17 Union Budget and it was also allocated to the Union expenditure based on the budgeted revenue. Therefore, the balance amount is to be debited as assets in SOEs and credited as liability to the government. Regarding SOEs' Other Account, it will be changed from 2019-20 fiscal year with NECC's decision and Government's permission.²⁴⁹

2.3.5.4 The MGE

The MGE is one of the SOEs operating under the MONREC and the second largest revenue generating sector in extractive industry. The main duties of the MGE are designating gemstone blocks at the gemstone tract area, issuing permits for extraction, imposing tax on extraction of gemstones, selling rough gemstones, cut and polished gemstone or jewellery and organizing emporium. The MGE is also responsible for supervision and granting permits for local private individuals and companies as well as organising emporiums and special sales three times a year for gems and jade extracted. MGE allocates trading permits to gems and jewellery traders. International gems traders and technicians can participate in Emporium to buy gems and jade through auction. MGE does not oversee compliance of companies. It chairs Joint Management Committees in JV projects.

Gems and jade produced are required to be registered at MGE. For joint venture companies, gems and jade produced are required to be valued by the Valuation Committee who is responsible for the evaluation of the gems and jade registered. This committee holds weekly meeting at the regional MGE office where the product registered is assessed and valued. Royalty on gems and jade produced is determined based on the value determined by the Committee. The Valuation Committee comprises representatives from MGE, private gems and jade companies, one external gems expert and representatives from other relevant government agencies such as IRD. Committee is chaired by an MGE officer.²⁵⁰

According to the MGE's letter of explanation dated 22 April 2019, gems and jade produced from the private permits and joint permits are being valued by the valuation committee based on the selling prices at the Emporium, regional price and market price according to the type, quality, quantity, weight and size. For jade valuation, there are three types of jade; imperial jade, commercial jade and utility jade where imperial jade is the best in quality. Jade valuation takes the Emporium sales price, market prices in China, and international market prices into account based on quality, weight and size.

The Myanmar Gems and Jewellery Entrepreneurs Association (MGJEA) also plays an important role in the gems and jade sector with 10,000 members, 65% of them represent the jade sub-sector while 35% represent coloured stones. The MGJEA collaborates closely with the MGE and plays a central role in the annual Gems Emporium in supporting government and monitoring the Emporium such as sending invitations to the Emporium, making sure government representatives are invited to the Emporium and in other trading forums. The MGJEA also plays an important role in valuation when disputes relating to valuation arise at the Emporium. The MGJEA has an opportunity to check the agreed value and to ensure the valuation is correct. The Gems Emporium Central Committee is comprised of the MGJEA members and some government officers.²⁵¹

Gems trading centres located in Mandalay, Myitkyina and Saggaing, as well as in Nay Pyi Taw where trade in rough stones are allowed are managed by MGE together with MGJEA. Market prices are set at the trading centres to ensure that gems trading centres are attractive to most traders, miners and buyers. The MGE, the MGJEA, the MCD, mining companies and traders work together to ensure that gems trades at the gems trading centres are legitimate by ensuring that correct paperwork and procedures are adopted.²⁵²

The Gems and Minerals Development Bank set up by MGJEA members in order to finance gems and mineral sector approved by the CBM in February 2016. The bank set up. The bank's main office is based in Yangon with branches in Mandalay, Mogoke, Saggaing, Hpakant and Myitkyina.²⁵³

When there are expired gemstone blocks or new gemstone blocks, an announcement through publication in the newspapers and posting in notice board at the MGE in Nay Pyi Taw and various mining departments are done to invite proposal from the public and for the bidding to be valid. The proposal shall be submitted in a sealed envelope for those gemstone blocks.

Details of local and export sales and other income of the MGE are set out in the table below.

Table 72 Annual Sales of the MGE²⁵⁴

	FY 2014-2015	FY 2015-2016	FY 2016-2017
Local Sales	0.70	0.05	-
Export Sales	0.34	0.21	0.49
Other Income	226.36	162.11	181.11
Total Income	227.40	162.37	181.60

MMK in Billion

²⁴⁹Comment provided by the Budget Department

²⁵⁰https://myanmarareiti.org/sites/myanmarareiti.org/files/publication_docs/spelling-checked-meiti_reconciliation_report_2015-2016updated_v2.pdf

²⁵¹https://myanmarareiti.org/sites/myanmarareiti.org/files/publication_docs/spelling-checked-meiti_reconciliation_report_2015-2016updated_v2.pdf

²⁵²https://myanmarareiti.org/sites/myanmarareiti.org/files/publication_docs/spelling-checked-meiti_reconciliation_report_2015-2016updated_v2.pdf

²⁵³https://myanmarareiti.org/sites/myanmarareiti.org/files/publication_docs/spelling-checked-meiti_reconciliation_report_2015-2016updated_v2.pdf

²⁵⁴Auditor General Audit Report on Union Budget for FY 2016-2017

The reported profit of the MGE has an upward trend except in FY 2014-2015 and FY 2015-2016 where it was declined by 15.8% and 39.5% respectively. An increase by 13.7% was reported in FY 2016-2017, that is lower by 31.2%.

Table 73 Annual Profit of the MGE²⁵⁵

	Profit (MMK in Billion)	Change %
FY 2014-2015	260.09	-15.8%
FY 2015-2016	157.41	-39.5%
FY 2016-2017	178.90	13.7%

The MGE has an outstanding liability amounting to MMK 4.65 billion as state contribution as of 31 March 2017 and has not reconciled its advance payment of state contribution of MMK 11.372 billion made in FY 2015-2016. An additional liability for income tax of MMK 5.81 billion as of 31 March 2017 but has not reconciled its advance payment of income tax of MMK 13.08 paid in FY 2015-2016. There was also an overpayment of commercial tax amounting to MMK 4.64 as of 31 March 2017. The MGE has an UFA (OA) balance of MMK 683.73 as at 31 March 2017.²⁵⁶

Details of UFA (OA) of the MGE reported to the IA is set out in the table below:

Table 74 UFA (OA) of the MGE²⁵⁷

No	2016 - 2017
1	Opening Balance as of 01 April 2016
2	Add: Total Received Amount
	In-flow of revenues during the year
	a) Sale Income and Service Income
	b) Sale split, other income, penalty
3	Less: Total Expenditure Amount
	Payments made during the year
	a) Salary and Wages
	b) Travelling Charges
	c) Purchase of Raw Materials (Reward for , transportation charges for seized gems and jade)
	d) Maintenance Cost
	e) Catering Cost
	f) Pension and Welfare
	g) Production Cost (Cost for transforming raw materials to finished products)
	h) Administrative Cost
	i) Income Tax
	j) State Contribution
	k) Specific Good Tax
	l) Commercial Tax
	m) Drawing Limit for the regional office's expenditures
4	Closing balance as of 31 March 2017

MMK in Million

It was noted that the amount of cash in the Other Account mentioned in the above table was budgeted as revenue in the 2016-17 Union Budget and it was also allocated to the Union expenditure based on the budgeted revenue. Therefore, the balance amount is to be debited as assets in SOEs and credited as liability to the government. Regarding SOEs' Other Account, it will be changed from 2019-20 fiscal year with NECC's decision and Government's permission.²⁵⁸

²⁵⁵Auditor General Audit Report on Union Budget for FY 2016-2017

²⁵⁶Auditor General Audit Report on Union Budget for FY 2016-2017

²⁵⁷ Provided by MGE to the IA for FY 2016-2017

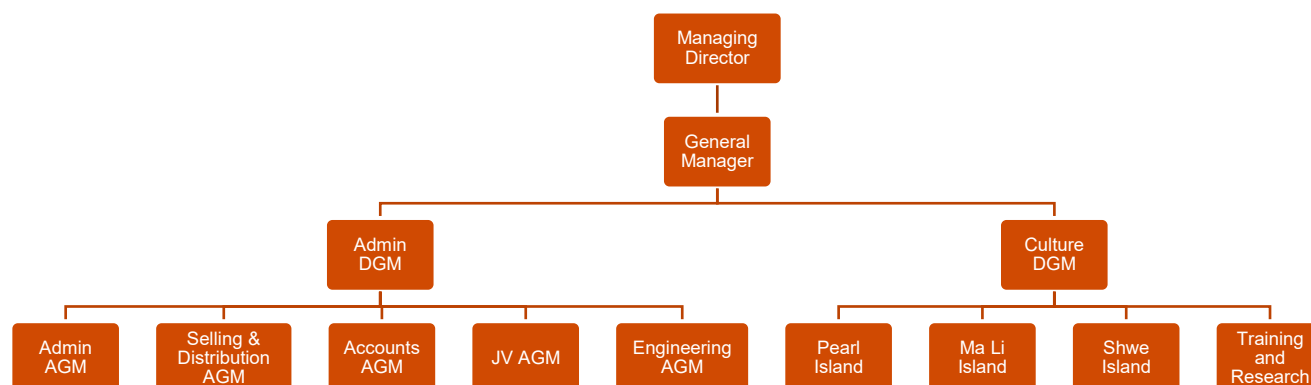
²⁵⁸Comment provided by the Budget Department

2.3.5.5 The MPE

The MPE is a SOE that is operating in the areas of oyster fishing and collecting, artificial breeding of oysters and culturing and harvesting pearl with local and foreign companies and selling pearl through Myanmar Pearl Event.

The MPE has two major divisions with a total of nine subdivisions as seen in the figure below:

Figure 22 Organisation Structure of the MPE



There are two types of permits required based on the types of operations, license and registration. The MONREC approves license for oyster fishing and collecting, artificial breeding of oysters, oyster rearing, oyster culturing, pearl harvesting and sales of oyster shells for foreign companies and artificial breeding of oysters, oyster rearing, oyster culturing and pearl harvesting for citizen companies while MPE approves licenses for oyster fishing and collecting and sales of oyster shells and registration of oyster diving vessel, pearl culturing technician, technician for artificial breeding of oyster, oyster rearing technician and pearl culturing diving technician.

The annual pearl production has been on an upward trend since FY 2011-2012. A significant increase in production was reported in FY 2016-2017 by 18.2% compared to FY 2015-2016 where the growth rate was minimal.

Detail of annual production of the MPE and the companies are set out in the table below.

Table 75 Annual Pearl Production of the MPE²⁵⁹

	Production in Momme		
	FY 2014-2015	FY 2015-2016	FY 2016-2017
The MPE	79,954.89	89,855.92	107,507.58
Local Joint Venture Companies	112,720.20	103,675.34	118,191.75
Foreign Joint Venture Companies	231,952.92	240,080.90	286,635.14
Total	424,628.01	433,612.16	512,334.47

²⁵⁹Auditor General Audit Report on Union Budget for FY 2016-2017

Annual pearl harvest has increased over time except in FY 2015-2016 where there was a decline in harvest of 1.2% due to lower harvest of local joint venture companies. Detail of pearl harvested by the MPE is set out in the table below.

Table 76 Annual Pearl Harvest of the MPE²⁶⁰

	Production in Momme		
	FY 2014-2015	FY 2015-2016	FY 2016-2017
The MPE	79,674.95	89,806.02	107,507.58
Local Joint Venture Companies	33,816	19,519	-
Foreign Joint Venture Companies	57,988.79	60,019.90	71,658.69
Total	171,479.79	169,344.97	179,166.27

Sales revenue for FY 2016-2017 has decreased by 28.1% due to a decline in sales quantity by 33% and average price by 6%.

Table 77 Annual Pearl Sales²⁶¹

	FY 2014-2015	FY 2015-2016	FY 2016-2017
Sales Volume (Momme)	105,693.60	237,406.45	170,617.35
Sales Value (MMK in Billion)	10.88	22.65	15.25

Profit of the MPE has declined in FY 2016-2017 due to decline in sales and pearl inventory of 174,988.54 momme as of 31 March 2017. The MPE has not made any commercial tax payment for FY 2016-2017. The MPE has an UFA (OA) closing balance of MMK 37.13 billion and an outstanding liability for state contribution of MMK 0.35 billion, income tax of MMK 0.44 billion and commercial tax of MMK 0.01 billion.²⁶²

Table 78 Annual Profit of the MPE²⁶³

	Profit MMK in Billion	Change %
FY 2014-2015	10.11	45.9%
FY 2015-2016	20.86	106.4%
FY 2016-2017	13.91	-33.3%

Details of the UFA (Other Accounts) of the MPE for FY 2016-2017 are set out in the table below.

Table 79 UFA (OA) of the MPE²⁶⁴

No.	SOE/SEE	2016 - 2017
1	Opening Balance as of 01 April 2016	31,567
2	Add: Total Received Amount	16,600
	In-flow of revenues during the year	
	a) Sale of Goods	15,636
	b) Other Income	228
	c) Tax Collected on behalf of IRD	104
	d) Other Departments Reimbursement etc.	631
3	Less: Total Expenditure Amount	11,033
	Payments made during the year	
	a) Salaries	658
	b) Travels	27
	c) Direct Raw	342
	d) Maintenance	59
	e) Treats	5
	f) Pension	152
	g) Production Cost	121
	h) Administrative Cost	118
	i) Corporate Income Tax	4,901
	j) State Contribution	3,920
	k) Payment to IRD for Tax Collected on behalf of IRD	104
	l) Other Departments Reimbursement etc.	631
4	Closing balance as of 31 March 2017	37,134

MMK in Million

²⁶⁰Auditor General Audit Report on Union Budget for FY 2016-2017

²⁶¹Auditor General Audit Report on Union Budget for FY 2016-2017

²⁶²Auditor General Audit Report on Union Budget for FY 2016-2017

²⁶³Auditor General Audit Report on Union Budget for FY 2016-2017

²⁶⁴Provided by MPE to the IA for FY2016-2017

It was noted that the amount of cash in the Other Account mentioned in the above table was budgeted as revenue in the FY 2016-17 Union Budget and it was also allocated to the Union expenditure based on the budgeted revenue. Therefore, the balance amount is to be debited as assets in SOEs and credited as liability to the government. Regarding SOEs' Other Account, it will be changed from 2019-20 fiscal year with NECC's decision and Government's permission.²⁶⁵

2.3.6 Subnational Payments

All taxes and revenue except that are listed in Schedule 5 shall be collected by the Union in accordance with the law and deposited in the Union Fund under section 231 sub-section (a) of Constitution of the Republic of the Union of Myanmar 2008. Regional government shall collect the following: land tax, excise tax, municipal taxes such as water tax, dam tax, tax on electricity generated; services of the Region such as toll fees, royalty on freshwater fisheries and marine fisheries; sales, lease and other means of execution of property of the Region in accordance with law and deposit in the Regional Fund.²⁶⁶

2.3.7 Level of Disaggregation

The reporting templates and data are to be submitted by extractive companies, government agencies and SOEs. The templates were designed to obtain disaggregated data by individual companies, government agencies and revenue streams in order to obtain revenue generated from extractive sector by government agencies and SOEs by types of revenue streams. Reporting at project level was obtained for the oil and gas sector. It is required that EITI data is presented by individual company, government entity and revenue stream. Reporting at project level is required.

It was determined that reporting entities are required to report data based on cash basis and supported by source documents for payment/receipt, date of payment/ receipt and beneficiaries. The reporting companies are requested to provide information on their beneficial ownership while it is voluntary for financial year 2016-2017, and provide evidence that their financial statements for financial year 2016 – 2017 was audited.

It was understood that production data from all sectors could be provided in project level but the sale/ export data could be at company level since all the production received by one company from multiple projects were pooled and transported. Oil and gas sector can provide production, sales and export data in project level.

²⁶⁵Comment provided by the Budget Department

²⁶⁶Constitution of the Republic of the Union of Myanmar 2008

2.3.8 Auditing and Accounting

The duties and powers of the Myanmar Accountancy Council (MAC) include scrutinising and issuing certificate on registration of Certified Public Accountants and Practising Accountants and scrutinizing and allowing the establishment of professional institutions for development of Accountancy profession and providing guidance and supervision thereon²⁶⁷.

The Myanmar Financial Reporting Standards (MFRS) and MFRS for Small and Medium-sized Enterprises (SMEs) effective for FY 2016-17 is based on the 2009 version of the International Financial Reporting Standards (IFRS). There were no updates of MFRS for new IFRS standards issued since the 2009 version until recently.

On 4 July 2018, the MAC issued Notification 18/2018 and Notification 19/2018 on 4 July 2018 announcing that the latest suite of IFRS issued by the International Accounting Standards Board (IASB) will be fully implemented in Myanmar with effect from FY 2022/23. The existing MFRS will be replaced by IFRS and early adoption is encouraged. Adoption of IFRS will be mandatory for public interest companies including banks and insurance companies, while other companies can adopt either IFRS or IFRS for Small and Medium sized Entities.

Similar to the accounting standards, there were no updates to the Myanmar Standards on Auditing (MSA) for new auditing standards issued since 2009 until recently. On 4 July 2018, the MAC issued Notification 20/2018 announcing that the International Standards on Auditing (ISA) issued by the International Federation of Accountants (IFAC) will be implemented in Myanmar with effect from FY 2022/23 and early adoption is encouraged.

The Myanmar Companies Act 1914 requires an auditor to report to the members of a company on the financial statements examined by the auditor at the annual general meeting. Previously, there was no audit exemption available for any company in Myanmar and all companies in Myanmar have to be audited. The auditor's report must state:

- whether or not the auditor has obtained all information and explanations required;
- whether or not in their opinion the balance sheet and profit and loss account referred to in the auditor's report are drawn up in accordance with law;
- whether or not the balance sheet exhibits a true and correct view of the state of affairs according to the best of their information and the explanations given to them, and as shown by the books of the company; and
- whether in their opinion, the books of accounts have been kept by the company as required by law.

A company is required to hold its first AGM no later than 18 months from the date of its incorporation, and thereafter at least once in every calendar year and not more than 15 months after the holding of the last preceding AGM. During the AGM, directors are elected, auditors are appointed, and the audited financial statements as well as the director's report are approved by the shareholders.

It is mandatory for companies in Myanmar to adhere to the same financial year, which currently is from 1 April to 31 March. No entities are allowed to choose different accounting periods, even for subsidiaries or branches of foreign companies with different financial reporting year-ends.

The extractive companies selected for reporting were asked to provide documents to confirm that their financial statements for FY2016-17 were audited. Details of the confirmations received is set out in Section 3.

On 7 December 2017, the Union President signed the Myanmar Companies Law (MCL) which was put into effect from 1 August 2018. The MCL is based on company laws in Australia, Singapore and the United Kingdom and replaces the existing Companies Act that has been in use since 1914. The new MCL aims to strengthen the Myanmar economy by creating clear, transparent and consistent regulations with better corporate governance and accountability.

The new MCL provides for higher standards of conduct for company directors to ensure businesses are properly run. All existing companies must also re-register with DICA's new online company registration system (MyCo), which was launched on 1 August 2018. MyCo will allow companies to submit annual reports and required registration documents online and general information about registered companies such as type of company and registration date are made publicly available. The new MCL also introduced simplified statutory requirements for 'small' companies, including being exempted from audits and having to hold AGMs. A "small company" is defined as a company and its subsidiaries which has no more than 30 employees, and annual revenue in the prior financial year of less than MMK50 million in aggregate. This does not apply to a public company or subsidiary of a public company.

In November 2017, the government announced a change in the Myanmar fiscal year to the 12 month period from 1 October to 30 September. The Union Taxation Law 2018 ("UTL 2018") which is effective from 1 April 2018 also sets out further guidance stating that for all taxpayers apart from the state-owned enterprises, the fiscal years shall be the period from 1 April 2018 to 31 March 2019, followed by 1 April 2019 to 30 September 2019 and only thereafter the government fiscal year is to be adopted starting from 1 October 2019.

In view of the change in fiscal year and the different fiscal years for private companies and the government during the transition period (i.e. government fiscal period is from 1 April 2018 to 30 September 2018 followed by 1 October 2018 to 30 September 2019) the MSG should consider in advance the periods for reporting and data reconciliation for future MEITI reports.

²⁶⁷ <https://www.oagmac.gov.mm/content/duties-powers-0>

2.3.8.1 The Office of the Auditor General of the Union (OAG)

The OAG is headed by the Auditor General of the Union. It is the supreme audit institution, which is setup under 2008 Constitution as an independent agency. The OAG is responsible for duties among which includes the monitoring of the Union budget, auditing public accounts and acts under the Constitution of the Republic of the Union of Myanmar, including payments from SOEs and partners. The President of the Union with the approval of the Parliament appoints the Auditor General of the Union from among the Parliamentary members or non-parliamentary members with qualifications in accordance with sub-section (a) of section 242 of the Constitution and section 9 of the Auditor General of the Union Law. The Auditor General is the Chairman of the Myanmar Accountancy Council, which enacts accounting standards of Myanmar.

Furthermore, the President of the Union with the approval of the Parliament, appoints the Deputy Auditor General of the Union from among the Parliamentary members or non-parliamentary members with qualifications in accordance with sub-section (a) of section 244 of the Constitution and section 10 of the Auditor General of the Union Law.

The duties of the OAG consists of auditing accounts of the receipt and payments of the Union and Ministries and to report them to the Parliament. Such duties comprise of auditing the completeness of receipts pertaining the Budget Estimates, effective utilisation of money in the Budget Estimates. The OAG performs audits in compliant with International Organisation of Supreme Audit Institutions (INTOSAI) standards.

All SOEs submit financial reports to OAG, containing all tax and non-tax payments by partners to the extractive industries. OAG also has authority to audit joint-ventures of SOEs but it is not being practiced since both of these ventures have their own independent auditors as well. The Union Auditor General submits report on audit findings to the President of the Union and the Pyidaungsu Hluttaw simultaneously.

The OAG is also responsible for inspecting the accounting system for the Union Level Organisations, the Union Ministries, Government Departments, Government organisations and Nay Pyi Taw Council.

The OAG supports the Myanmar Accountancy Council (MAC) as a secretariat office. The OAG has the authority to re-audit the accounts of the Private Enterprises which have already been audited by the Certified CPAs and Practicing Accountants relating to taxes and revenue to be paid to the revenue.

2.3.9 Distribution of Extractive Industry Revenue

Net profit of extractive SOEs are subject to 25% corporate income tax and 20% of net profit before tax is required to be transferred to the Union Fund as State Contribution and the remainder is allowed to be kept as retained earnings in their UFA (Other Accounts).

2.3.10 Subnational Transfers

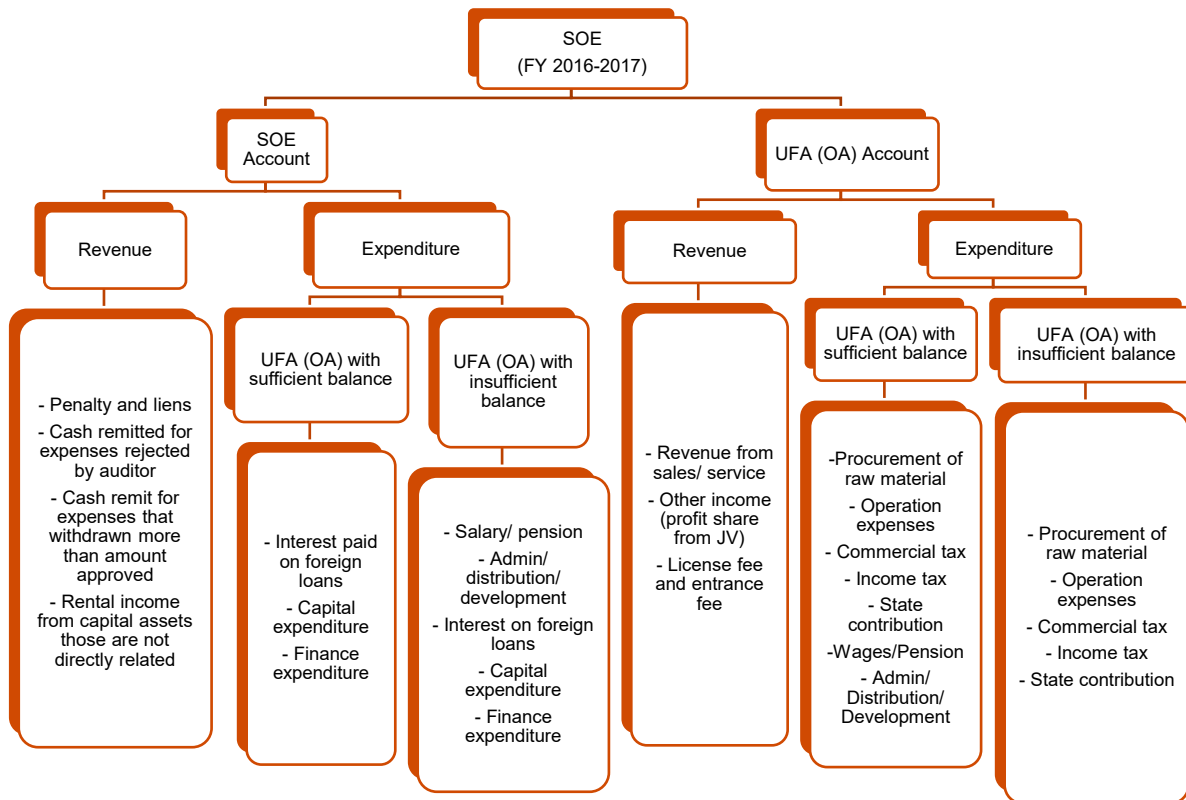
EITI Standards requires to identify transfers between national and subnational government entities related to revenues generated by the extractive industries and transfers mandated by a national constitution, statute or other revenue sharing mechanism. Implementing countries are required to disclose the revenue sharing formula and any discrepancies between the transfer amount calculated in accordance with the relevant revenue sharing formula and the actual amount that was transferred between the central government and each relevant subnational entity.

There is no subnational transfer of revenue generate by the extractive industry mandated by the Union Constitution, the Union Budget Law or the Citizen Budget. However, subnational transfers to the regions are being made from the Union Budget.

2.3.11 Revenue Management and Expenditure

Revenue and expenditure of SOEs are subject to audit by Auditor General Office and are required to be budgeted in the Citizen Budget annually.

Figure 23 Revenue and Expenditure Structure of SOEs for FY 2016-2017²⁶⁸



A Revenue Policy is set in order to collect tax efficiently under current laws, develop a fair tax system that is complement to the market economy, adjust consumption, investment and savings for long-term development of national economy through tax system and adjust long-term sustainable development of environment and natural resources through a tax system.

There are three types of revenue as discussed below;

1. Current revenue, capital revenue and financial revenue. Current revenue includes revenue from sales of goods and rendering services, penalty, fines and other current revenue, tax and duties collected by relevant departments and organisations, interest received in Myanmar or from offshore, state contribution from state-owned economic enterprises and foreign aids received for current expenditure.
2. Capital revenue includes capital assets disposal proceeds, reserve funds received from departments dissolved, cash received from capital investment and foreign aids received for capital expenditure.
3. Financial revenue includes loans taken in country, loans taken from foreign countries, cash received from investment in organisations and savings.

An Expenditure Policy is set in order to increase budget allocation to education, health and social security, to prioritise expenditures that are beneficial for public, to scrutinise organisation structure and staff recruitment, to implement project as per priority level, to procure in align with law, bylaw and rules and to prioritise expenditure for rural development, electrification, supply of sanitised water and water for irrigation.

²⁶⁸Citizen Budget for FY 2016-2017

There are three types of expenditures;

1. Current expenditure, capital expenditure and financial expenditure. Current expenditure includes annual expenses such as salary, travelling expense, wages, payment for services and goods, repair and maintenance, entertainment, reserve expenses, pensions, gratuity, lump sum pension, purchase of raw materials, production expenses, service fees, administration and research, distribution expenses, commercial tax, income tax and state contribution of SOEs, annual fees to foreign associations and international organisations, grants to local organisations, subsidies to regional and city development councils, and interest paid for treasury bills and bonds in the country and interest paid for foreign loans.
2. Capital expenditure includes capital investment in projects such as factory, school, hospital, building, roads and dams, improvement of current capital assets, roads, buildings, dams, purchase of plant and machinery, motor vehicles, aircrafts, vessels, trains, etc.; purchase of office equipment, furniture, vehicles for office use and other office supplies and installation charges for machinery and land compensation.
3. Financial expenditure includes domestic loan repayment, foreign loan repayment, investments and savings withdrawals.

Expenditure shall not exceed the total of budget estimate, supplementary grant, general reserve fund and special reserve. Temporary actual is an unaudited monthly, quarterly, semi-annual and annual statement of income and expenditure while audited statement of income and expenditure are called actual. Provisional actual is an additional allocated budget from general reserve fund (GRF) and Reserve Fund due to operational requirement or surrender of excess fund or transfer of fund to revise estimated.

There were loans taken from five different foreign countries and organisations in FY 2016-2017.²⁶⁹ Six loan contracts entered into with the Japan International Cooperation Agency for USD 1.116 billion was the largest and five loan contracts entered into with Asia Development Bank for USD 0.405 billion was the second largest in FY 2016-2017. Interest rates are as low as 0.01% pa to 1.5% pa.

Table 80 Foreign Loan Drawn and Repayment in FY 2016-2017²⁷⁰

					USD in Million
Sr.	Name of Organisations	Drawn in the Year	Principal Paid	Interest Paid	Total Paid
International Organisations		165.19	42.08	11.58	53.66
1	Asian Development Bank (ADB)	32.14	16.43	5.35	21.78
2	ASEAN Infrastructure Fund (AIF)	0.89	-	-	-
3	International Development Association (IDA)	130.83	24.16	5.945	30.11
4	IFAD	1.33	-	0.02	0.02
5	OPEC	-	1.49	0.26	1.75
Foreign Governments		178.71	354.19	205.13	559.33
Paris Club Member Countries		148.97	12.37	27.68	40.05
6	Japan	148.97	4.48	0.21	4.70
7	Austria	-	-	1.84	1.84
8	Finland	-	-	0.02	0.02
9	France	-	0.53	6.76	7.30
10	Germany	-	7.36	18.26	25.62
11	Italy	-	-	-	-
12	Netherland	-	-	0.17	0.17
13	England	-	-	0.41	0.41
Non-Paris Club Member Countries		29.75	341.83	177.45	519.27
14	China	13.37	255.83	170.80	426.64
15	India	6.33	16.16	3.30	19.46
16	Korea	10.05	16.89	2.02	18.92
17	Malaysia	-	30.00	0.09	30.09
18	Saudi Arabia	-	0.40	0.05	0.45
19	Thailand	-	11.67	0.39	12.06
20	Serbia	-	10.87	0.79	11.65
Grand Total		343.91	396.27	216.71	612.98

²⁶⁹Information provided by the Treasury Department, Ministry of Planning and Finance for Fourth MEIIT Report for FY 2016-2017

²⁷⁰Auditor General Audit Report on Union Budget for FY 2016-2017

Loans were drawn by different ministries and organisations and Ministry of Agriculture, Livestock and Irrigation drew 36.3% and Ministry of Electricity and Energy drew 18.5% during FY 2016-2017. Ministry of Electricity and Energy paid 46.8% of total repayment in FY 2016-2017. Ministry of Electricity and Energy drew loan for electricity projects.

Table 81 Loans Drawn and Repayment by Ministry and Organisation during FY 2016-2017²⁷¹

					USD in Million
Sr.	Debtor Organisation	Drawn in the Year	Principal Paid	Interest Paid	Total Paid
1	Ministry of Natural Resources and Environmental Conservation	-	0.316	0.008	0.324
2	Ministry of Electricity and Energy	62.890	197.343	89.263	286.606
	Grand Total	343.912	396.274	216.709	612.983

Total debts outstanding as at 31 March 2017 was USD 9.15 billion of the largest debts balance is from the MOEE (32.5%).

Table 82 Total debts outstanding as at 31 March 2017²⁷²

Sr.	Debtor Organisation	USD Million
1	Ministry of Natural Resources and Environmental Conservation	27.22
2	Ministry of Electricity and Energy	2,976.08

Under the Auditor General of the Union Law, OAG's main responsibility is to audit the statement of income and expenditure, audit receipts and payments of the Union, prescribe accounting system for the Union level organisations, the Union Ministries, Government Departments, Government Organisations and Nay Pyi Taw Council as well as monitor compliance. In addition, the Auditor General is responsible to conduct re-audit accounts of private enterprises audited by the respective Certified Public Accountant and Practising Accountant relating to taxes and revenue to be paid to the Union.²⁷³ Auditor General has the power to audit the accounts and the list of property of government department and government organisations.

Audit report on the Union Budget is publicly available on Pyidaungsu Hluttaw website.²⁷⁴

Annual tax performance has an upward trend except in the FY 2015-2016 where there was a decline by 3.1% and has increased in FY 2016-2017 by 12.8%. 46.8% of total taxation collected in FY 2016-2017 was from tax on production and consumption, followed by 32.6% from tax on income and property, 13.9% from tax on extraction of natural resources and 6.7% from Customs duty.

Table 83 Annual Tax Collection²⁷⁵

				MMK in Billion
	FY 2014-2015	FY 2015-2016	FY 2016-2017	
Tax on Production and Consumption	2,299	2,591	3,332	
Tax on Income and Property	2,235	2,326	2,323	
Customs Duty	495	467	480	
Tax on Extraction of Natural Resources	1,488	930	987	
Total	6,517	6,314	7,122	

Budget allocation to regional government is prepared with the use of macroeconomic index such as total population, poverty index, area, per capita tax collection, per capita GDP and urban population as a percentage of total Union Population. MTF maintains deficit to GDP ratio not to exceed 5%.

²⁷¹ Auditor General Audit Report on Union Budget for FY 2016-2017

²⁷² Auditor General Audit Report on Union Budget for FY 2016-2017

²⁷³ 2010 The Auditor General of the Union Law

²⁷⁴ <https://pyidaungsu.hluttaw.mm/reports>

²⁷⁵ Auditor General Audit Report on Union Budget for FY 2016-2017

Table 84 Budget Allocation by Functions for FY 2016-17²⁷⁶

Sr.	Functions	%
1	Electricity and Energy	24.32
2	Planning and Finance	20.82
3	Defence	14.31
4	Education	8.05
5	Agriculture and Irrigation	5.79
6	State-owned Economic Enterprises	5.63
7	Transportation and Telecommunication	4.29
8	Health and Sports	4.2
9	Industry	2.78
10	Construction	2.48
11	Forest Conservation	1.92
12	Home Affairs	1.49
13	Central Bank of Myanmar	1.52
14	Others	2.4

2.3.12 Public Financial Management Reform

Myanmar has initiated fiscal sector reform in accordance with the Framework of Economic and Social Reform (FESR) since 2011. The main objective is to support efficient, accountable and responsive delivery of public services through the modernisation of Myanmar's public financial management systems and strengthening institutional capacity. Myanmar joined PEFA program for comprehensive review of public financial management in 2012. Public Financial Management Performance Report, also known as PEFA Report, was disseminated in May 2013 by the World Bank.²⁷⁷

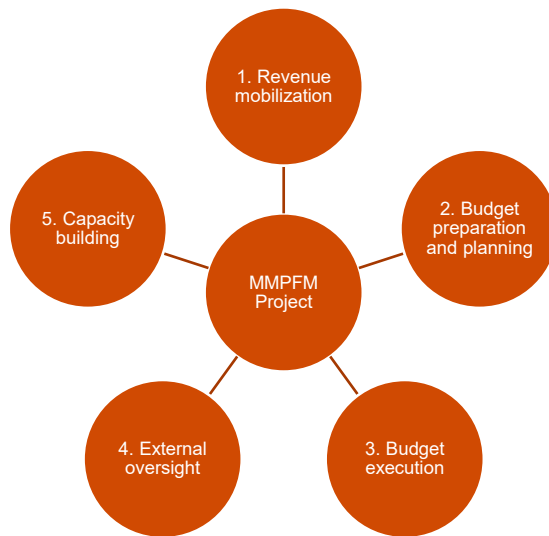
A Public Expenditure Review of macro fiscal context, broad revenue and expenditure, intergovernmental fiscal relation, electric power and energy, health and education were studied and preliminary findings were identified. A Public financial management system and treasury function of the MOPF will be strengthened and budget formulation will be analysed through cooperation with the IMF. Public Financial Management Reform Strategy was published and includes findings of PEFA Report and PER covering 2014 to 2019.

Myanmar Public Financial Management Project is funded by the World Bank, DFID and AUSAID as well as budget allocation from Union Fund. Key implementing parties are Budget Department, Treasury Department, Myanmar Economic Bank, The IRD and the Planning Department under The MOPF, the Attorney General Office and the Public Accounts Committee. There are five parts in Myanmar Public Financial Management Project; revenue mobilisation, budget preparation and planning, budget execution, external oversight and capacity building.

²⁷⁶Citizen Budget for FY 2016-2017

²⁷⁷<https://www.unescap.org/sites/default/files/Public%20Finance%20Management%20Reform%20in%20Myanmar.pdf>

Figure 24 Myanmar Public Financial Management Modernisation Project Implementation



- In revenue mobilisation part, tax revenue is increased through mobilisation of tax administration. In addition, tax compliance and taxpayer service will be improved and revenue from natural resources will be brought on budget with transparent reporting through EITI.
- Large Taxpayer Office (LTO) and Medium Taxpayer Offices (MTO 1, 2 & 3) were set up. Taxpayers registered at LTO and MTO 1 adopted using self-assessment System (SAS) while taxpayers under MTO 2 and MTO 3 adopted Official Assessment System (OAS). Commercial tax was restructured and SGT was introduced in FY 2016-2017. Integrated Tax Administration System is being developed for tax administration.
- In terms of budgeting, budgeting guidelines, rules and regulations governing budgeting needs to be improved for comprehensiveness so that budget process can be decentralised. A Budget policy and fiscal policy were established in order to develop an appropriate intergovernmental fiscal system. Budgeting system is top-down while planning is bottom-up. Fiscal decentralisation has been improved and so is transparency through the Union Budget Law and publishing annual Citizen Budget from FY 2015-16 onwards.²⁷⁸

State Fund Accounts were separated from The Union Fund Account since 2011 and Medium Term Fiscal Framework (MTFF) had been adopted since FY 2015-16 in order to improve budget formulation process in terms of international best practices to support macroeconomic stability and development. More budget is allocated to social sector such as education, health.

There are six economic indicators in MTFF;

- (i) Total population;
- (ii) Poverty index;
- (iii) Per capita GDP;
- (iv) Area;
- (v) Urban population as percent of total state population; and
- (vi) Per capita tax collection.²⁷⁹

The MOPF received financial assistance from the World Bank amounting to USD 2.725 million for a five-year public financial management project and received its first tranche in FY 2015-2016 (MMK 79.624 million) and second tranche in FY 2016-2017 (MMK 243.509 million). Total expenditure incurred for FY 2016-2017 are: MMK 117.087 million in hiring technical experts and procurement of IT equipment for setting up a Public Accounts Committee Office (PACO); MMK 3 million for capacity building of staff and MMK 123.422 million for procurement of equipment for mini data centre.²⁸⁰

²⁷⁸ <https://www.unescap.org/sites/default/files/Public%20Finance%20Management%20Reform%20in%20Myanmar.pdf>

²⁷⁹ <https://www.unescap.org/sites/default/files/Public%20Finance%20Management%20Reform%20in%20Myanmar.pdf>

²⁸⁰ Auditor General Audit Report on Union Budget for FY 2016-2017

2.4 Social and Economic Spending

There was no specific law in respect of social or environmental protection in Myanmar up until 2012 when Environmental Conservation Law was enacted, although there were provisions in the 2008 Constitution regarding the conservation of natural resources and prevention of environmental degradation. Environmental Conservation Rules were published in 2014 and as a result environmental impact assessment procedures as well as national environmental quality emission guidelines were issued in 2015. Based on the standard terms and conditions of PSC provided by MOGE for this report purpose, the PSC contractors are required to conduct and report on environmental impact assessment, social impact assessment and environmental management plans to MOGE.

Under the new Mining Rules, investors have to submit Initial Environmental Examination, Environmental Impact Assessment (EIA) and/or Environmental Management Plan ("EMP") depending on the type of permit applied for. The Mines Rules requires permit holders be responsible for all environmental expenses and set-up an environmental conservation fund at Myanmar Economic Bank, with a contribution of 1% of the sales and 2% of sales for CSR (2% of investment in case of no production). In addition, permit holders must set-up and contribute 1% of sales to a mines closure fund at Myanmar Economic Bank.

Permits granted before the new Mining Rules were issued were not required to follow the Mining Rules regarding to the environmental conservation. The amended joint venture contracts requires the investors to comply with the rules mentioned above. It will be mandatory social expenditure for the new contract entered in the future.

2.4.1 Social Expenditure by Extractive Companies

The MOGE allocates 2% of their net profit for the CSR fund.²⁸¹ CSR programs generally include environmental management, responsible sourcing, working conditions, education or human rights. Please see below for details of the 2% voluntary CSR Expenditure of MOGE for FY 2016-2017.

Table 85 Details of the 2% voluntary CSR Expenditure of MOGE for FY2016-2017

No.	Location	Mandatory CSR in million (MMK)
1	Chauk/Lann Village Oil Field	207
2	Yaynanchaung	173
3	Mann Oil Field	194
4	Pyay Oil Field	180
5	Myanaung Oil Field	211
6	Htauk Sha Pin, Kanni Oil Field	237
7	Kyayk Khawt-Latpanto-Ayartaw Oil Field	260
8	Shwepyitha Oil Field	213
9	Nyaungdon Oil Field	155
10	Apyauk Oil Field	144
11	Thargyitaung-Sabei Oil Field	193
12	Htankaing Oil Field	155
13	Maupin Taung Oil Test Well	189
14	Pipeline	
	(a) Pipeline camps	340
	(1) Phoogyi Pipeline	55
	(2) Titut Pipeline	51
	(3) Pyawbyay Pipeline	43
	(4) Shwephitha Pipeline	39
	(5) Daedaye Pipeline	15
	(6) Innywa Pipeline	26
	(7) Mawlamyaing Pipeline	52
	(8) Maupin – Nyaungdon	25
	(9) Myaingkalay – Yangon	25
	(10) Mann – Htauk Sha Pin	9
	(b) Control Station	116
15	Tharketa	27
16	CNG (YGN+MDY)	225
17	Head Office	1
18	Exploration	
	(a) Exploration Study	268
	(1) Applied Research	29
	(2) Geology	28
	(3) Seismic Party (1)	87
	(4) Seismic Party (2)	85
	(5) Seismic Party (3)	15
	(6) Seismic Party (4)	23
	(b) Oil Test Wells	174
	(1) Yay Htwet Test Well	124
	(2) Pa Htoe Lon Test Well	50
	Total (MMK)	3,663

²⁸¹Third MEITI Report for FY 2015-2016 by Moore Stephens (page 58)

Oil and gas companies contributed 5,424 million as voluntary corporate social responsibility in FY 2016-2017.²⁸² Below are some examples of companies engaging in CSR activities.

MPRL E&P Pte Ltd. (Yangon Branch) (MPRL) engages in CSR activities in respect of health, water and sanitation, education, disaster relief and management, philanthropy and community capacity development.²⁸³ MPRL dug wells and water sanitation technology was used to provide clean water to the local community. In addition, school infrastructure, materials and equipment are provided by MPRL. MPRL has responded to two large flood affected areas in addition to charity-based activities that the company is undertaking. MPRL provides trainings to the community.²⁸⁴

Another example of a corporation engaging in CSR activities is Total, however its areas of focus are education, public health, local job creation and social development. Total has contributed to the development of 33 villages with around 38,000 people that are close to the pipeline.²⁸⁵ Individual healthcare practices were replaced with preventive health in six villages and health teams were formed. Three pig farms were established in the villages and are fully owned and run by local farmers. One veterinary medicine shop was set up in the area. Michaunglaung tree nursery was replaced with two village-run tree nurseries for future seedlings distribution in the area. A community training centre was set up and school-based programs were initiated in three high schools. A high loan pilot project was initiated, loans of up to MMK 700,000 and a new loan product was introduced for vocational training clients.²⁸⁶ Further information in respect of the CSR activities of Total and MPRL as well as other corporations including PCML, POSCO Daewoo and PTTEPI can be accessed at MOGE website.²⁸⁷

MONREC issued a Notification No. (615/2015) dated 29 December 2015 titled the National Environmental Quality Emission Guideline (EQEG).²⁸⁸ It provides guidelines for the regulation and control of noise and vibration, air emissions and liquid discharges from various sources in order to prevent pollution for the purposes of protection of human and ecosystems. It applies to all the extractive sectors. CSR activities and expenditure of companies that are in joint venture with the Department of Mines can be accessed on its website²⁸⁹.

Total mandatory CSR expenses reported by the extractive companies for FY 2016-2017 is MMK 1.00 billion and voluntary CSR expenses reported was MMK 11.33 billion²⁹⁰. Total CSR expenses reported by the extractive companies are MMK 12.33 billion. Of this amount, 70.8% of CSR expenditure were represented by the oil and gas companies, 19.5% by minerals companies and 9.7% by gems and jade. To further break down total CSR expenditure by the oil and gas companies, 44.0% and 26.8% were represented by upstream oil and gas companies and oil and gas transportation companies respectively.

There are no amounts of expenditure required to be committed and the actual CSR spends of the contractors in the PSC is voluntary.

²⁸²Reported by the extractive companies in the scope for fourth MEITI report for FY 2016-2017

²⁸³<https://mprlexp.com/csr/community/>

²⁸⁴<https://mprlexp.com/csr/community/>

²⁸⁵<https://www.total.com/en/news/totals-csr-program-myanmar-learn-more-about-our-initiatives>

²⁸⁶https://www.total.com/sites/default/files/atoms/files/yadana_csr_report_2016_en.pdf?folder=7683

²⁸⁷<http://www.moe.gov.mm/mm/ignite/contentView/688>

²⁸⁸http://www.myanmar-responsiblebusiness.org/pdf/2015-12-29-National-Environmental-Quality-Emission-Guidelines_en.pdf

²⁸⁹http://www.mining.gov.mm/DM_mm/1.DM_mm/CSR%20List.pdf

²⁹⁰Reported by companies in scope for reconciliation for FY 2016-2017

Three mining companies also reported mandatory CSR expenditure under the new Mining Rules due to amendment of contract terms but full EITI disclosures was not provided.

Table 86 Mandatory and Voluntary Corporate Social Responsibility Expenditures reported by Participating Companies and Government Agencies FY 2016-2017²⁹¹

No.	Company	Mandatory Corporate Social Responsibility	Voluntary Corporate Social Responsibility	Total in MMK
Oil and Gas		-	9,087,906,426	9,087,906,426
1	BG Exploration & Production Myanmar Pte. Ltd. (Myanmar Branch)	-	251,400,000	251,400,000
2	GoldPetrol Joint Operating Company Inc., (GJOC Inc.)	-	118,553,433	118,553,433
3	MPRL E&P Pte Ltd. (Yangon Branch)	-	860,969,228	860,969,228
4	PC Myanmar (Hong Kong) Limited	-	423,624,460	423,624,460
5	Posco Daewoo Corporation (Myanmar E&P Office)	-	1,494,575,112	1,494,575,112
6	PTTEP International Ltd.	-	799,245,000	799,245,000
7	Shell Myanmar Energy Pte. Ltd. - Yangon Branch	-	888,027,762	888,027,762
8	SNOG Pte Ltd	-	24,000,000	24,000,000
9	Unocal Myanmar Offshore Co., Ltd.	-	318,208,293	318,208,293
10	Woodside Energy (Myanmar) Pte Ltd	-	245,774,925	245,774,925
11	Myanmar Oil and Gas Enterprise (MOGE)	-	3,663,528,213	3,663,528,213
Oil and Gas transportation		-	3,308,105,929	3,308,105,929
1	Moattama Gas Transportation Company (Yangon Branch)	-	3,198,655,105	3,198,655,105
2	South-East Asia Gas Pipeline Co., Ltd (Great Ocean Branch)	-	8,233,350	8,233,350
3	Taninthayi Pipeline Company LLC	-	101,217,474	101,217,474
Gems and Jade		-	2,184,340,970	2,184,340,970
1	Aung Myin Thu (AMT) Company	-	653,345,918	653,345,918
2	Kaung Su Aung Jade & Gmes Co., Ltd.	-	298,741,212	298,741,212
3	Kyauk Seinn Sun Shwin Jade, Gems & Jewellery Co., Ltd.	-	1,232,253,840	1,232,253,840
Other Minerals		946,335,901	1,456,531,014	2,402,866,915
1	Cornerstone Resources (Myanmar) Ltd.	-	23,870,000	23,870,000
2	Eternal Mining Co., Ltd.	-	446,714,640	446,714,640
3	First Resources Co.,Ltd	-	22,877,500	22,877,500
4	Htoo International Industrial Group Co., Ltd.	-	8,123,033	8,123,033
5	Manadalay Golden Friend Mining Co., Ltd.	-	44,705,291	44,705,291
6	Mandalay Distribution and Mining Co., Ltd.	-	197,682,563	197,682,563
7	Max Myanmar Co., Group.	-	18,357,500	18,357,500
8	Myanmar Golden PointFamily	-	235,773,850	235,773,850
9	Myanmar Economic Holding Ltd.,	-	49,183,100	49,183,100
10	Myanmar Wanbo Copper Mining Co., Ltd.	915,948,901	-	915,948,901
11	Myanmar Yang Tse Copper Ltd.	-	8,723,550	8,723,550
12	Ngwe Kabar Myanmar Co., Ltd	26,269,600	-	26,269,600
13	Ngwe Yi Pale Mining Co., Ltd	-	114,116,200	114,116,200
14	Sai Long Hein Mining Co., Ltd.	-	16,400,000	16,400,000
15	Shwe Taung Mining Co., Ltd.	-	26,180,771	26,180,771
16	Than Taw Myat Co., Ltd	-	44,668,000	44,668,000
17	Thi Ha Thant Hein Mining Co., Ltd.	4,117,400	3,000,000	7,117,400
18	Top Ten Star Production Co.,Ltd.	-	120,754,250	120,754,250
19	Win Myint Mo Industries Co.,Ltd.	-	53,200,765	53,200,765
20	Wuntho Resources Co., Ltd	-	22,200,001	22,200,001
Pearls		-	54,704,500	54,704,500
1	Annawar Pearl Company Limited	-	5,800,000	5,800,000
2	Myanmar Andman Co., Ltd	-	34,750,000	34,750,000
3	Myanmar Atlantic Co., Ltd	-	11,072,500	11,072,500
4	Niino Pearl Culturing Co., Ltd	-	1,948,000	1,948,000
5	Pyae Sone Htet Myint Co.,Ltd	-	1,134,000	1,134,000
Total		946,335,901	16,091,588,839	17,037,924,740

²⁹¹Reported by companies in scope for reconciliation for FY 2016-2017

2.4.2 Quasi-fiscal Expenditure

Quasi-fiscal expenditure is defined as public social expenditure such as payments for social services, public infrastructure, fuel subsidies and national debt servicing, etc. outside of the national budgetary process under EITI Standard 2016. However, there was no quasi-fiscal expenditure reported during FY 2016-2017 since all the expenses of SOEs are included in the Union Budget, as confirmed by the MOPF during the meeting on 12 March 2019. In particular, there were fuel subsidies provided by the MOGE to the government agencies, refineries and private companies during FY 2016-2017 and the costs were already included in the Union Budget, as confirmed by the MOPF during the same meeting.

Pursuant to the standard terms and conditions of PSC provided by the MOGE for this report purpose, a PSC contractor is required to supply the domestic market with 20% of crude oil and 25% of natural gas of its share of profit on petroleum sales at 90% of fair market prices. Details of DMO sales to MOGE are set out in the table below.

Table 87 Domestic Sales of Oil and Gas Operators during FY 2016-2017²⁹²

Companies	Project	Blocks	Commodity Type	Per Company	
				Volume	Value USD in Million
Gold Petrol	Chauk	IOR-2	Crude Oil (Barrels)	7,197.59	0.25
	Yenangyaung	MOGE-1	Crude Oil (Barrels)	4,015.28	0.14
MPRL	Mann	moGE-2	-	-	-
PCML	Yetagun	M-12/M-13/M-14	Condensate (Barrel)	733,232.60	30.48
Posco Daewoo Corporation (Myanmar E&P Office)	Shwe	A-1/A-3	Gas (MSCF)	27,915.51	161.22
PTTEP	Zawtika	M-9	Gas (MSCF)	25,358.88	116.45
TOTAL	Yadana	M-5/M-6	Gas (MSCF)	60,264.74	152.09
Total					460.63

The MOGE sold the oil and gas purchased to the government agencies, refineries, gas turbines and private companies at a fixed price during FY 2016-2017 as shown in the table below. This type of fuel subsidy may be regarded as quasi fiscal activities, however the purchase of oil and gas from the upstream oil and gas companies was funded by the Union Budget and these expenses on the fuel subsidies paid as part of the Union Budget should not be regarded as quasi fiscal expenditure. The MOGE disclosed to the IA the revenue received from sales of gas to the selected entities as follows.

Table 88 MOGE Gas Sales to Selected Entities in Volume and in Value²⁹³

Company	Type of Product	Unit	Volume Sold	Revenue received	Currency	Equivalent in MMK
1 Ywar Ma Gas Turbine	Gas	MMBTU	7,682,934	57,622,002	USD	70,441,066,950
2 Ywar Ma Gas Turbine (EGAT)	Gas	MMBTU	8,112,590	60,844,428	USD	74,698,319,862
3 Tharketa Gas Turbine	Gas	MMBTU	5,853,725	43,902,935	USD	53,773,458,380
4 Alone Gas Turbine	Gas	MMBTU	11,049,641	82,872,306	USD	100,417,536,745
5 Hlawkar Gas Turbine	Gas	MMBTU	9,842,301	73,817,257	USD	90,075,865,347
6 Mawlamyaing Gas Turbine	Gas	MMBTU	9,878,573	74,089,299	USD	89,705,083,547
7 Kyauk Phyu Gas Turbine	Gas	MMBTU	5,918,145	45,685,694	USD	57,069,244,850
8 Kyaukse GEG	Gas	MMBTU	7,298,633	66,942,872	USD	81,116,542,450
9 Myingyan GEG	Gas	MMBTU	15,840,278	139,789,125	USD	169,476,073,594
10 Thanlyin Refinery	Off Shore Gas	MMBTU	235,628	1,767,213	USD	2,131,821,039
11 Chauk Refinery	On Shore Gas	MMSCF	263	525,712,000	MMK	525,712,000
12 Thanbayarkan Refinery	On Shore Gas	MMSCF	347	693,035,800	MMK	693,035,800
13 Yangon Copper & Metal Wire Factory	Gas	MMBTU	41,637	292,283	USD	352,646,160
14 Ve Ve Soft Drink	Gas	MMBTU	61,369	431,017	USD	521,194,358
15 Max Myanmar Cement	Gas	MMBTU	58,365	490,754	USD	596,265,964
Total						791,593,867,046

2.4.3 Training Fund and Research and Development Fund

Pursuant to the standard terms and conditions of PSC provided by the MOGE, a PSC contractor is also required to employ and train Myanmar citizens and have a training fund of USD 25,000 and USD 50,000 per annum for onshore and offshore PSC blocks respectively during exploration period as well as USD 50,000 and USD 100,000 per annum for onshore and offshore PSC blocks respectively during production period. Any residual amount remaining in the training fund is required to be paid to the MOGE or carried forward to the following year. Similarly, the contractor's research and development fund needs to contain 0.5% of its share of profit on petroleum. Note however, activities for research and development expenditure have not been defined.

²⁹² Reported by companies in scope for reconciliation for FY 2016-2017

²⁹³ Reported by companies in scope for reconciliation for FY 2016-2017

2.4.4 The Contribution of the Extractive Sector to the Economy of Myanmar

Total revenue from extractive industry in FY 2016-2017 was MMK 2,302,776 million.²⁹⁴

2.4.4.1 Contribution of GDP of Extractive Industry to Total GDP of Myanmar

Gross Domestic Product (GDP) is the most commonly used measure on how well a country is performing economically. GDP is the total of the value of all products and services produced within a country in a year. GDP for FY 2016-2017 was MMK 79,720 billion²⁹⁵ and GDP of FY 2015-2016 was MMK 72,714 billion resulting in a growth rate of 9.6% in FY 2016-2017. Energy GDP had a negative growth rate of 0.5% in FY 2015-2016 and continued to decline in FY 2016-2017 by 7.1%. Whilst mining GDP also had a negative growth rate of 16.1% in FY 2015-2016, it grew by 11.7% in FY 2016-2017. Available data does not allow systematic analysis by subsectors (e.g. exploration and production, refining, petrochemicals, transportation, distribution and production).

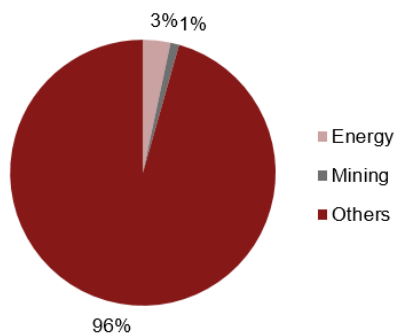
Energy industry represents 3.3% of GDP and mining industry represents 1.1% of GDP in FY 2016-2017 while the percentage of GDP for the energy and mining industries in FY 2015-2016 are 5.1% and 1.1% respectively.

Table 89 Comparison of Contribution of GDP of Extractive Industry into Total GDP of Myanmar²⁹⁶

Industry	FY 2014-2015		FY 2015-2016		FY 2016-2017	
	MMK Billion	% of Total	MMK Billion	% of Total	MMK Billion	% of Total
Energy	4,011.40	6.15%	3,687.52	5.07%	2,669.96	3.35%
Mining	786.10	1.20%	759.98	1.05%	835.28	1.05%
Others	60464.39	92.65%	68266.52	93.88%	76,215.66	95.60%
Total	65,261.89	100.00%	72,714.02	100.00%	79,720.90	100.00%

Figure 25 Contribution of GDP of Extractive Industry to Total GDP of Myanmar for FY 2016-2017

GDP of Myanmar for FY2016-2017



2.4.4.2 Contribution of Exports of Extractive Industry to Total Exports of Myanmar

Total exports have decreased over time however there was an increase in FY 2016-2017 by 7.3%. Minerals and gems exports have followed a similar trend dropping significantly by 34.6% in FY 2015-2016 and slightly increasing by 0.4% in FY 2016-2017. Oil and gas exports however have been on a continual downward trend since FY 2015-2016 dropping by 18.0% and 31.6% in FY 2016-2017.

Oil and gas exports and mineral and gems exports represent 24.8% and 8.1% of total exports of the Union respectively. We note that the 2017 export statistics published by CSO do not provide an individual breakdown of minerals and gems.

²⁹⁴ Reconciliation result for fourth MEITI report for the FY 2016-2017

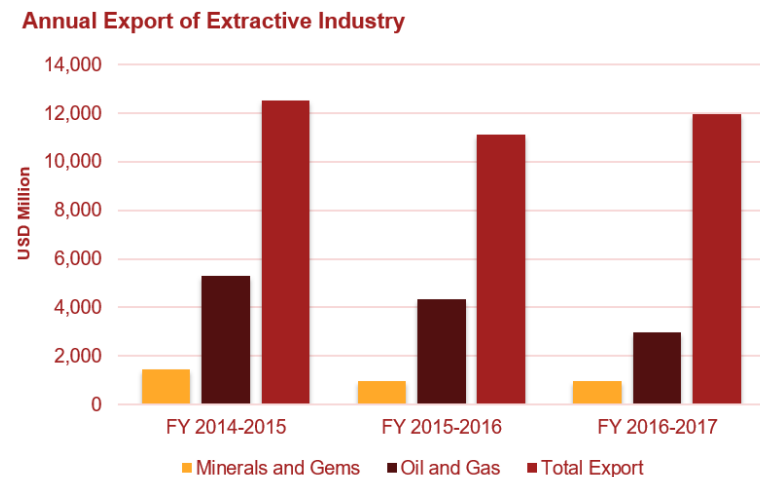
²⁹⁵ Central Statistical Organisation, 2017, "2017 Myanmar Statistical Book"

²⁹⁶ CSO Yearbook 2017

Table 90 Annual Export of Extractive Industry and Total Exports²⁹⁷

	FY 2014-2015	FY 2015-2016	FY 2016-2017
	USD Million	USD Million	USD Million
Minerals and Gems	1,469.52	960.75	964.12
Oil and Gas	5,297.49	4,343.28	2,969.93
Total Export	12,523.81	11,136.88	11,951.64

Figure 26 Comparison of Annual Export of Extractive Industry



The above export statistics published by CSO are different from those reported by SOE's in their reporting templates. Details of export figures reported are set out in the Section 3 of this report.

2.4.4.3 State Revenue from the Extractive Industry

The IRD under the MOPF receives revenue from capital gains tax, corporate income tax, personal income tax, withholding tax, commercial tax and stamp duty from all the extractive sectors. On top of these taxes, the IRD also receives revenue from specific goods tax from the oil and gas and the gems and jade sectors. The MCD under the MOPF receives revenue from customs duty, penalties and other fees on imports and exports from all the extractive sectors. The Social Security Department under the Ministry of Labour receives social security contributions and the City Development Council receives revenue from property tax from the extractive companies.

From the oil and gas sector, the OGPD under the MOEE receives revenue from signature bonuses, royalties and production bonuses from upstream oil and gas companies.

The MOGE receives revenue from data fees, state participation, production splits and dividends from upstream oil and gas companies as well as right of way fees and dividends from mid-stream oil and gas transportation companies. In addition, the MOGE receives revenue from the sale of oil and gas received as baseline entitlements, share of cost recovery and royalty as well as those purchased under domestic market obligations at a discount and at market value. All revenue that is expected to be received in FY 2016-2017 were budgeted in the Union Budget by the MOGE. State participation of petroleum cost, purchase of oil and gas for domestic use, commercial tax, specific goods tax, customs duty, corporate income tax, state contribution and CSR expenses are budgeted in the Union Budget and paid out of UFA (OA).

The DOM under the MONREC receives revenue from signature bonuses, royalties, dead rent fees and permit fees from minerals and gems and jade permit holders, as well as application fees, royalty fees (nucleus insertion fees), dead rent fees and license fees from the pearl companies. The DGSE receives revenue from signature bonuses from the mineral companies on exploration and feasibility study. The Forest Department receives revenue from land fees and environmental or plantation fees from the mineral and gems and jade companies if their permit area falls in forest land.

The ME 1 and the ME 2 receive revenue from application fees and production splits from mineral companies and revenue from the sales of production split received in-kind. All revenue expected to receive in FY 2016-2017 was budgeted in the Union Budget. Purchase of minerals, commercial tax, customs duty, corporate income tax, state contribution and CSR expenses were budgeted in the Union Budget and paid out of UFA (OA).

²⁹⁷Office of Auditor General, 2018, "Auditor General Report on Union Budget for FY 2016-2017"

The MGE receives revenue from application fees, sales splits, service fees and supervision fees from the gems and jade companies and a share of penalties on cancelled auctions and production split. All revenue that is expected to be received in FY 2016-2017 were budgeted in the Union Budget. Commercial tax, specific goods tax, customs duty, corporate income tax, state contribution and CSR expenses were budgeted in the Union Budget and paid out of UFA (OA).

The MPE receives revenue from application fees, registration fees and production splits from the pearl companies. In addition, income from the sales of pearl received as production split is received. All revenue that are expected to receive in FY 2016-2017 were budgeted in the Union Budget. Commercial tax, customs duty, corporate income tax, state contribution and CSR expenses were budgeted in the Union Budget and paid out of UFA (OA).

Below is a table listing of the UFA (OA) reported by SOE together with the balance of these accounts both as at 1 April 2016 and as at 31 March 2017.

Table 91 UFA (OA) of State-owned Economic Enterprises in Extractive Industry²⁹⁸

No.	State-owned Economic Enterprise	Balance as at 01 April 2016 (MMK in Billion)	Balance as at 31 March 2017 (MMK in Billion)	Changes in OA (MMK in Billion)
1	No.(1) Mining Enterprise	54.34	63.14	8.80
2	No.(2) Mining Enterprise	96.26	103.78	7.52
3	MGE	637.36	687.51	50.15
4	Myanma Pearl Enterprise	31.57	37.13	5.56
5	MOGE	4,851.51	5,598.95	747.44
	Total	5,671.04	6,490.51	819.47

Refer to Section 2.3.5 for details of each SOE's UFA (OA) receipts and expenditure usage for FY2016-17.

MOGE

The MOGE has opened "Other Accounts" under the Union Fund Account since FY 2012-2013 for its operations as per instruction from the MOPF. The MOGE has onshore and offshore oil and gas exploration, development and production activities all over Myanmar.

There were twenty-three (23) Other Accounts during FY 2016-2017 for depositing income and paying out expenses for oil and gas project areas, pipelines, test wells and head offices. In FY 2016-2017, all the current expenses except the interest payment for the domestic and foreign loans were incurred from the Other Accounts. All the expenses were incurred as per approved budget. Total cash balance of the Other Accounts as at 31 March 2017 amounted to MMK 5,598.9 billion as set out in the below movement schedule for FY 2016-2017:

	Account Number	Area	Opening MMK	Receipt MMK	Payment MMK	Closing MMK
1	OA-010290	Chauk	2,192,670,627	4,167,305,264	5,952,713,002	407,262,889
2	OA-010080	Yenangyaung	45,457,181	4,020,644,010	3,965,087,403	101,013,787
3	OA-010250	Mann	167,532,163	5,573,283,023	5,679,588,757	61,226,429
4	OA-010261	Htauksharpin	1,185,912,949	4,608,017,052	5,498,625,966	295,304,036
5	OA-010200	Pyay	81,805,942	1,644,078,886	1,711,402,443	14,482,385
6	OA-010090	Myan Aung	66,905,010	2,405,369,826	2,348,687,399	123,587,437
7	OA-011061	Kyauk Khwak/ Letpanto/ Ayardaw	178,042,828	4,384,158,363	4,434,810,567	127,390,624
8	OA-011769	Titoot Pipeline Station	-	366,523,291	366,498,745	24,546
9	OA-016074	Grinding Plant (MDY)	34,367,985	639,246,365	667,520,602	6,093,747
10	OA-010480	Aphywak Gas	15,172,370	1,334,808,999	1,140,875,327	209,106,042
11	OA-010060	Nyaungdone oil & gas				
			22,347,559	2,330,407,216	2,341,374,640	11,380,135
12	OA-011102	Thargyitaung/ sabei	6,443,525	652,952,130	655,645,837	3,749,818
13	OA-010260	Htantine	3,456,602	1,022,363,107	776,772,528	249,047,182
14	OA-010180	Yangon Office	4,218,543,597,320	1,381,860,653,467	1,577,436,014,605	4,022,968,236,182
15	OA-010745	Nay Pyi Taw HO	460,925,162,429	1,007,036,825,467	101,849,994,906	1,366,111,992,990
16	OA-016052	Mandalay CNG	319,496,025	117,171,515	-	436,667,541
17	OA-016063	Palate CNG	3,581,437,224	854,211,044	-	4,435,648,269
18	OA-010140	CNG Station 006, 015, 021, 024, 023, 038, 017, 037	34,251,094,532	8,102,828,972	-	42,353,923,504
19	OA-010257	CNG Station 004, 008, 011, 0135, 030, 036	29,579,249,408	7,565,177,683	-	37,144,427,092
20	OA-012385	CNG Station 001, 002, 007, 009, 012, 014, 019, 026, 027, 032, 033, 039, 040, 041	47,729,733,004	11,362,233,423	-	59,091,966,427
21	OA-010191	CNG Station 003, 005, 013, 016, 018, 020, 022, 028, 029, 031, 034, 035	52,583,191,441	12,068,644,044	-	64,651,835,486
22	OA-010771	Tharketa	-	1,196,211,149	1,189,251,131	6,960,018
23	OA-012749	CNG	-	5,120,603,855	4,979,644,502	140,959,353
	Total		4,851,513,076,133	2,468,433,718,163	1,720,994,508,366	5,598,952,285,930

²⁹⁸ Details of UFO (OA) were provided by the respective SOEs.

MGE

The MGE has three Other Accounts and two SEE Accounts as set out in the below movement schedule for FY 2016-2017.

	Account Number	Area	Opening MMK	Receipt MMK	Payment MMK	Closing MMK
1	OA-010659	Sales, Service and Others	634,414,129,497	123,903,043,480	74,583,442,940	683,733,730,037
2	OA-011782	Joint venture	2,445,723,426	3,875,992,182	3,041,303,098	3,280,412,510
3	OA-011771	Museum	498,150,802	3,753,000	2,088,000	499,815,802
4	SEE-10532	Receipt book sales, penalties, rentals	-	205,619,323	4,128,501,196	(3,922,881,872)
5	SEE-10904 (C&F)	To buy fixed assets	-	-	-	-
Total			637,358,003,726	127,988,407,985	81,755,335,234	683,591,076,477

Each account has its own purpose. Sales revenue, service revenue and other revenue such as penalties, licenses fees, 25% JV sales after tax, registration fee and other miscellaneous income were deposited into OA-010659 and production and service expenses, administration expenses, selling and distribution expenses, salaries, wages, pension, commercial tax, specific goods tax, income tax and state contribution were paid out of this account. Supervision fees on joint venture sales were deposited into OA-011782 and supervision fees paid to the regional supervision staff, 25% state contribution on net supervision fees and 75% payment to development of joint venture and supervision committee were made out of this account. Museum entrance fees were deposited into OA-011771 and 50% of these were spent for museum maintenance and 50% were transferred as state contribution. Receipt book sales, penalty for breach of permit area, jewellery boxes sales, rental of shops and building and 25% of supervision fees on joint venture transferred were deposited into SEE-10532 and security deposit of permits refund and security deposit of joint venture refund were made out of this account. Fixed assets purchases were made from SEE-10904 (C&F) and balance cannot be provided as this is unbudgeted item. All the expenses for FY 2016-2017 were incurred from OA-010659.

2.4.4.4 Contribution of Extractive Industry to National Employment

According to Myanmar Labour Law, employment is required to be reported to Township Labour Offices. All the employment contracts are required to be registered and approved by a Township Labour Office. Although there is a requirement for the extractive companies to report on the employment position to the relevant regulators, there is no updated public record made available by the relevant regulators regarding the employment in the extractive industry. The only statistics available was the total employment in Myanmar of 21.79 million out of total labour force of 21.96 million in FY 2015-2016.²⁹⁹

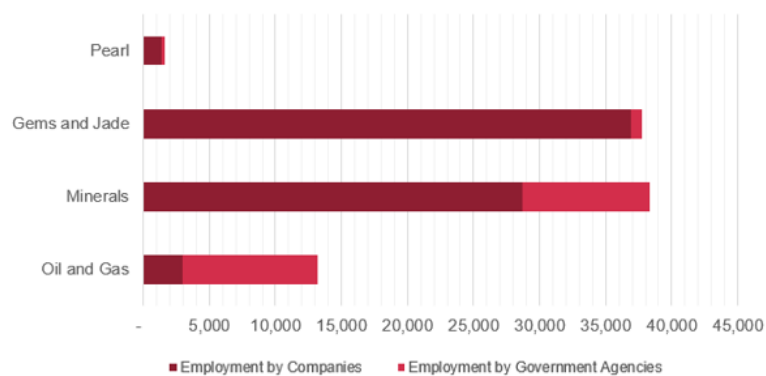
Employment in the extractive industry as provided by government agencies (MOGE, OGPD, MGE, DOM, ME1, ME2, DGSE, Forest Department and MPE) for FY 2016-2017 is set out in the table below.³⁰⁰

Table 92 Total Extractive Industry Employment by Sector reported by Government Agencies for FY 2016-2017

	Employment by Companies	Employment by Government Agencies	Total Industry Employment	% of Total Industry Employment
Oil and Gas	2,988	10,177	13,165	14%
Minerals	28,664	9,691	38,355	42%
Gems and Jade	36,941	826	37,767	42%
Pearl	1,349	273	1,622	2%
Total	69,942	20,967	90,909	100%

The total industry employment in each sector is visualised in the figure below:

Figure 27 Employment in Extractive Industry by sector for FY 2016-2017



Employment in the gems and jade and minerals sectors was the highest, each representing 42% of the total employment in the extractive industry, followed by oil and gas sector including upstream and mid-stream representing 14% of the total employment in the extractive industry while pearl sector represented only 2%.

Separately, any work establishment that has five employees and above is required to be registered at the Social Security Board and the employer has to contribute 3% of the salary that is limited to MMK 300,000 per month while employees contribute 2%. The maximum limit on salaries was set as six times of the minimum wage and it was not updated despite the changes in minimum wage.³⁰¹ Details of social security contribution (SSC) by extractive companies in the scope for FY 2016-2017 are set out in the table below.

Table 93 SSC Payment by Extractive Companies in the Scope for FY 2016-2017³⁰²

	MMK in million
Upstream oil and gas companies	751
Oil and gas transportation companies	63
Minerals companies	50
Gems and jade companies	446
Pearl companies	53
Total	1,363

²⁹⁹ CSO Yearbook 2017

³⁰⁰ Reported by the extractive companies in the scope

³⁰¹ <https://www.mol.gov.mm/en/wp-content/uploads/2016/10/The-Social-Security-Rules-E.pdf>

³⁰² Reported by the extractive companies in the scope

2.4.4.5 Contribution of Tax Revenue by Extractive Sector SOEs

In FY 2016-2017, extractive sector SOEs' tax revenue represents 66.8% of total SOE tax revenue and 9.7% of total tax revenue of Myanmar. MOGE tax revenue represents 61.5% of total SOE tax revenue and 92.0% of total extractive sector SOE tax revenue. MGE represents 3.8% of total SOE tax revenue and 5.7% of extractive sector SOE tax revenue. The other sectors representation is relatively immaterial.

Table 94 Tax Collection Comparison for FY 2016-2017

From Reconciliation Data of FY 2016-2017 ³⁰³											
	Total FY 2016-2017 ³⁰⁴	SOE ³⁰⁵	SOE as % of FY2016-2017	MOGE	MGE	ME 1	ME 2	MPE	EI SOE	% of SOE	% of FY 2016-2017
	MMK Billion	MMK Billion	%	MMK Billion	MMK Billion	MMK Billion	MMK Billion	MMK Billion	MMK Billion	%	%
Income Tax	2,323.67	431.06	18.5%	150.59	38.92	1.77	8.82	4.90	205.00	47.6%	8.8%
Commercial Tax	1,877.85	592.61	31.6%	199.87	-	-	0.37	0.23	200.47	33.8%	10.7%
Specific Goods Tax	994.24	7.66	0.8%	283.84	0.14	-	-	-	283.97	3706.8%	28.6%
Total	5,195.76	1,031.33	19.8%	634.30	39.06	1.77	9.19	5.13	689.44	66.8%	13.3%

2.4.4.6 Informal Activity in Gemstone Sector

The Third Myanmar EITI Report mentioned that there was massive informal activity in the gemstone sector. A report³⁰⁶ dated 11 February 2019 issued by the Natural Resource Governance Institute (NRGI) estimated that jade production could have been worth between USD 2 billion to USD 15.5 billion in FY 2014/15, and between USD 3.7 billion and USD 43.1 billion in FY 2015/16. It also conservatively estimates that gemstone production could have represented between USD 278 million and USD 340 million in FY 2014/15 and between USD 385 million and USD 470 million in FY 2015/16. This is far larger than the gems and jade total revenue for FY2016-17 of MMK 365,061 million (US\$290 million based on 2016-17 average exchange rate) reported per the MEITI data.

Based on these estimates, the government's revenue collected in FY2016-17 was between 1% to 13% of the sector's value.

Refer to the prior year recommendation item 18 in Section 4.2 for recommendation on management of the Gems and Jade Sector.

³⁰³ Reconciliation Result of FY 2016-2017 including unilateral disclosure

³⁰⁴ Audit Report on the Union Budget by OAG for FY 2017-2018

³⁰⁵ Citizen Budget for FY 2017-2018

³⁰⁶ <https://resourcegovernance.org/sites/default/files/documents/losing-luster-addressing-myanmar-tax-evasion.pdf>

2.5 On-going Initiatives

2.5.1 EITI Validation

Myanmar has committed to the implementation of EITI standards since December 2012 through passing Presidential Decree No. 99/2012³⁰⁷ and appointing permanent multi-stakeholders group (MSG). The validation process started on 1 July 2018 under 2016 EITI Standards through agreement from the Board. The Myanmar's validation process is currently ongoing with the International Secretariat's Report on initial data collection and stakeholder consultation for Myanmar issued on 24 November 2018 and the Validation Report produced by CowaterSogema Independent Validator issued on 18 February 2019. The MSG has also submitted their comments on the two validation reports. The Myanmar validation is still under process and the EITI Board has not yet made the final decision on the overall assessment.

Government engagement in the EITI standards implementation was rated as satisfactory while coordination and engagement of companies need to be improved. Well-functioning MSG oversight of implementation was acknowledged. Previous MEITI reports focused on recommendation on policy reforms in governance of the gemstone sector, SOEs and public financial management and accountability of companies as well as beneficial ownership transparency. It also highlighted on the clarity of operations of military-affiliated companies, MEHL and MEC, contract disclosure, sales transactions outside emporium and SOE financial management and their accounts, UFA (OA).³⁰⁸

Summary of Independent Validator's initial assessment on compliance of EITI standards is set out in the table below.

EITI Requirements		LEVEL OF PROGRESS				
		No progress	Inadequate	Meaningful	Satisfactory	Beyond
Categories	Requirement s					
MSG oversight	Government engagement (#1.1)					
	Industry engagement (#1.2)					
	Civil society engagement (#1.3)					
	MSG governance (#1.4)					
	Work plan (#1.5)					
Licenses and contracts	Legal framework (#2.1)					
	License allocations (#2.2)					
	License register (#2.3)					
	Policy on contract disclosure (#2.4)					
	Beneficial ownership (#2.5)					
	State participation (#2.6)					
Monitoring production	Exploration data (#3.1)					
	Production data (#3.2)					
	Export data (#3.3)					
Revenue collection	Comprehensiveness (#4.1)					
	In-kind revenues (#4.2)					
	Barter agreements (#4.3)					
	Transportation revenues (#4.4)					
	SOE transactions (#4.5)					
	Direct subnational payments (#4.6)					
	Disaggregation (#4.7)					
	Data timeliness (#4.8)					
Revenue allocation	Distribution of revenues (#5.1)					
	Subnational transfers (#5.2)					
	Revenue management and expenditures (#5.3)					
Socio-economic contribution	Mandatory social expenditures (#6.1)					
	SOE quasi-fiscal expenditures (#6.2)					
	Economic contribution (#6.3)					
Outcomes and impact	Public debate (#7.1)					
	Data accessibility (#7.2)					
	Follow up on recommendations (#7.3)					
	Outcomes and impact of implementation (#7.4)					

³⁰⁷<https://myanmareiti.org/en/publication/presidential-decree-no992012>

³⁰⁸https://eiti.org/sites/default/files/documents/myanmar_draft_validation_report_24_december_2018_cows.pdf

There were 27 recommendations were made in the draft validation report prepared by Cowatersogema.

Sr.	EITI Standard	Recommendation
1	1.1	To get more senior government officials with decision making authority participated in MSG meetings.
2	1.2	To get military affiliated companies and oil and gas companies engaged actively and fully in the EITI process.
3	1.3	To create enabling environment for company participation with regard to relevant laws, regulations and administrative rules and actual practice in implementation of EITI.
4	1.4	To monitor enabling legal, regulatory and administrative environment for civil society to effectively engage in all aspects of EITI implementation such as freedom of expression and fear of reprisal.
5	1.5	To agree and publish a clear procedure for selecting and changing MSG representatives for each constituency who is required to make sure that the level of seniority of their representatives to MSG meetings is adequate to ensure swift decision making.
6	2.1	To identify mechanism for developing work plan and linking it to national priorities as well as source of funding.
7	2.2	To disclose technical and financial criteria used in awarding licenses in mineral and gemstone sector
8	2.3	To publicly disclose coordinates of mining blocks, date of application, awards and duration of oil and gas and mining licenses and commodities for each oil and gas blocks through maintaining a public register of license.
9	2.4	To disclose all extractive contracts
10	2.6	To disclose equity stake of all SOEs in extractive projects, cost incurred for private companies, loan guarantee provided by MOPF for SOES, prevailing rules in retained earnings. To clarify whether MEHL and MEC are government-owned corporations and to engage them in EITI process if they are government-owned corporations. To consider including miscellaneous revenue of MOGE into scope.
11	3.1	To disclose extractive activities on websites of relevant government agencies.
12	3.2	To disclose production volume and value by commodity for jade and gems. To include export data outside emporium in the scope. To disclose those data on government websites.
13	3.3	To disclose comprehensive data for export volume and value for gems and jade, disaggregated by commodity. To include export data outside emporium sales in the scope.
14	4.1	To regularly and systematically disclose revenue data through government platforms. To determine rationale and options considered for materiality thresholds for revenue and companies.
15	4.2	To assess materiality of in-kind payment. To disclose sales of state share in volume and revenue received.
16	4.5	To disclose all transfers from government to SOEs comprehensively and publicly.
17	4.7	To adopt project level reporting in the next report (deadline 31 December 2020).
18	4.8	To disclose up-to-date data in government platforms and companies' regularly and systematically.
19	4.9	To publish audited financial statements of government entities and SOEs.
20	5.1	To provide further explanation regarding the extractive revenue that are not recorded in the Union Budget. To disclose details of Other Accounts.
21	6.1	To disclose legal and contractual social expenditures by companies, including value of in-kind. To develop a reporting process to achieve a level of transparency.
22	6.2	To include SOE's quasi-fiscal expenditures, including SOE's payment for social services, public infrastructure, fuel subsidies and national debt servicing, etc. outside of the Union Budget process. To develop a reporting process to achieve a level of transparency.
23	6.3	To disclose extractive sector's contribution to the economy including official employment data through government platforms.
24	7.1	To fully implement MSG's communication strategy and improve comprehensibility of EITI reports through publication of less technical summary reports.
25	7.2	To do analysis of the report aimed at improving public understanding of the EITI data and information.
26	7.3	To adopt mechanism for following up and monitoring the progress of implementing the recommendations. To consider doing stakeholder mapping to identify key people. To identify technical and financial resources to implement these recommendations.
27	7.4	To evaluate EITI impact in Myanmar and assess how such impact could be increased both at national and subnational level. To investigate other issues and areas where it could potentially create impact.

2.5.2 Myanmar Sustainable Development Plan

The Myanmar sustainable development plan (MSDP) was developed to ensure full alignment with economic policy launched in July 2016 with a long-term vision of a peaceful, prosperous and democratic country with the aim to reinvigorate reform and promote bold action. MSDP is structured with three pillars, five goals, 28 strategies and 251 action plans. Pillar 1 is peace and stability, pillar 2 is prosperity and partnership and pillar 3 is people and planet.³⁰⁹

Figure 28 Myanmar Sustainable Development Plan Framework³¹⁰



2.5.2.1 State-owned Economic Enterprises

MSDP acknowledges that many SOEs remain a fiscal burden due to high operating costs and low profitability. MSDP aims to improve SOE governance in order to mobilise fiscal resources for the government and unlock the country's economic potential. One of their strategic objectives is to enhance the efficiency and competitiveness of SOEs – the associated action plans and outcomes in relation to the strategy (Strategy 2.5) are set out below:

Table 95 Action Plan and Strategic Outcome of SOE Reform³¹¹

Reference	Action Plan	Strategic Outcome
2.5.1	Develop a national SOE policy based on a comprehensive review and assessment of existing SOEs	SOEs operate on commercial principles, with independence, transparency, and accountability
2.5.2	Corporatise, commercialise, restructure, or, where appropriate, privatise SOEs which operate in competitive markets	SOEs operate on commercial principles, with independence, transparency, and accountability
2.5.3	Identify SOEs that should be fully or partially equitised and identify possible strategic partners	SOEs operate on commercial principles, with independence, transparency, and accountability
2.5.4	Standardise financial reporting structures across SOEs and release financial data on SOEs to the public	SOEs operate on commercial principles, with independence, transparency, and accountability
2.5.5	Develop competitive salary schemes for SOEs employees to boost SOEs competitiveness	SOEs operate on commercial principles, with independence, transparency, and accountability

2.5.2.1.1 Definition of SOE

SOEs are defined differently across countries and depending on the level of government ownership (including federal, state or local, position in the public administration hierarchy, purpose and status of SOEs, etc.), each can vary in legal form. OECD defines SOEs in the OECD Comparative Report on Corporate Governance of State-owned Enterprises as an enterprise where the state has significant control through fully, majority or significant minority ownership.³¹²

Myanmar's SOEs regularly generate approximately 50 percent of the Union's fiscal revenues and spend as much in the domestic economy. They operate in many sectors, from transport to textiles and banking to natural resources. Through their regulatory roles, they exert a considerable influence on Myanmar's economic composition and trajectory.³¹³

³⁰⁹http://themimu.info/sites/themimu.info/files/documents/Core_Doc_Myanmar_Sustainable_Development_Plan_2018_-_2030_Aug2018.pdf

³¹⁰http://themimu.info/sites/themimu.info/files/documents/Core_Doc_Myanmar_Sustainable_Development_Plan_2018_-_2030_Aug2018.pdf

³¹¹http://themimu.info/sites/themimu.info/files/documents/Core_Doc_Myanmar_Sustainable_Development_Plan_2018_-_2030_Aug2018.pdf

³¹²OECD, 2005, "OECD Comparative Report on Corporate Governance of State-owned Enterprises"

³¹³ Andrew Bauer (2018) SOE Reform in Myanmar: The Case of Natural Resource Enterprises (page 3)

2.5.2.1.2 Reform of SOE

Under the report entitled “SOE Reform in Myanmar: The Case of Natural Resource Enterprises”, it was highlighted that the current revenue retention system in Myanmar appears to undermine the government’s stated goal of improving SOE efficiency in three ways:

- Maintaining loss-making SOE dependence on the Union for all spending, removing an incentive to become more profitable;
- Maintaining profit-making SOE dependence on the Union for its capital spending, removing an incentive to control items defined as capital costs (e.g., drilling equipment); and
- Allowing profit-making SOEs to hoard cash, discouraging greater profitability since their cash holdings are more than sufficient and they therefore have little incentive to raise more revenue or cut costs.³¹⁴

Notwithstanding the above, the report makes note of other areas within an SOE’s framework and operation that require reform and their associated recommendations. These areas are:

- *Improve the legal framework governing SOE activities* - introducing a new SOE law which would bring statutory clarity to SOE management and make policymaking more consistent. Other legislative suggestions and amendments include laws preventing the disclosure of crucial information to supervisory, compulsory full audits of SOEs available to the public, publicly available SOE accounts information.
- *Require that SOEs articulate their strategic objectives and performance targets* – Designing clear objectives and performance benchmarks (clear numerical and time-bound targets) that are aligned to an SOE’s vision statements and mandates – this will both assist in clarifying the SOE’s financing needs and allow the Union government to monitor progress towards achieving their goals.
- *Strengthen SOE oversight* – Empowering the Ministry of Planning and Finance or a new professional agency with responsibility over monitoring SOE compliance with performance targets and organisational objectives, approving SOE budgets on a project-by-project basis, requiring greater disclosure of information to all supervisory bodies, establishing independent boards of directors for SOEs, requiring independent external audit for SOEs.
- *Require much greater disclosure of SOE financial information and activities* - SOEs could publish financial and annual reports that meet international standards, overall greater transparency.

The above recommendations are sensible and the initial focus should be on financial and corporate governance improvements. Improved automation and quality of processing data and accounting information is another important area of focus. We also note that the MOGE plays the role of both regulator and project participant. This gives rise to an inherent conflict of interest and the two roles need to be separated.

Finally, it should be noted that SOEs are entities controlled by the government, including financial control. MEC is a private limited company. That appears to be some uncertainty as to whether it could be controlled by the government. Both the company and the government need to clarify this position going forward.

SOE Reform Workshops

A series of SOE reform workshops were held on 21 and 22 February 2019 in Nay Pyi Taw with an objective of presenting current status of SOEs and SOE reform plans. Relevant committees from Hluttaw, MEITI MSG members, senior government officials from respective MEITI-related SOEs and Myanmar National Airline (MNA), developmental partners and related institutions attended those workshops. The following departments and organisations made presentations on the current status, challenges and required reforms for their respective entity:

- (1) MOGE
- (2) DOM
- (3) ME 1
- (4) ME 2
- (5) MGE
- (6) MPE
- (7) Myanma Timber Enterprise (MTE)
- (8) MNA
- (9) MOBD
- (10) Treasury Department
- (11) Planning Department
- (12) CSO

Information on the ongoing SOE reform activities were discussed in the section 2.3.5.

³¹⁴Andrew Bauer (2018) SOE Reform in Myanmar: The Case of Natural Resource Enterprises (page 3)

2.5.2.2 Natural Resources Development

Another one of MSDP strategic objectives is focused on improving land governance and sustainable management of resource-based industries ensuring our natural resources dividend benefits all our people. Details of action plans and strategic outcomes are set out in the table below.

Table 96 Action Plan and Strategic Outcomes of Natural Resources Development³¹⁵

Reference	Action Plan	Strategic Outcomes
5.5.1	Establish a comprehensive, clear and coherent regulatory framework that informs the sustainable management, exploitation and trade of natural resources supported by appropriate enforcement mechanisms	Improved land governance
5.5.2	Use innovative mechanisms to more effectively and transparently manage revenues generated from the extractive industries for the longer-term benefit of the country	Prudent and transparent management of natural resources revenue
5.5.3	Reform the nature of the minerals sector such that it becomes both sustainable and profitable, while making both a positive contribution to government revenues and to the lives of our people	Prudent and transparent management of natural resources revenue
5.5.4	Greatly accelerate all necessary measures to meet requirements for EITI implementation	Prudent and transparent management of natural resources revenue
5.5.5	Strengthen and enforce environmental safeguards and regulatory controls regarding natural resources-based industries	Environmental and social consideration mainstreamed into investment decisions

³¹⁵http://themimu.info/sites/themimu.info/files/documents/Core_Doc_Myanmar_Sustainable_Development_Plan_2018_-_2030_Aug2018.pdf

3. Reconciliation

3.1 The Overall Reconciliation Process and Methodology

We were engaged as the Independent Administrator for the fourth MEITI report for Fiscal Year 2016-2017 on 27 September 2018. A planning meeting to kick off the project was held with MSG and NCS on 8 October 2018 to discuss and agree on the scope, timeline and requirements.

The reconciliation of data from the extractive sectors comprised the following phases:

1. Preparation of Scoping Study Report confirming the scope of the MEITI reporting process for FY 2016-2017 including materiality thresholds, revenue streams, extractive companies and government agencies selected for reporting, and design of reporting templates;
2. Preparation of reporting templates (using prior year's template as the initial basis) and instructions for completion of templates;
3. Training conducted for the extractive companies and government agencies on completion of the reporting templates and reporting templates circulated;
4. Data collection from the extractive companies and government agencies using the reporting templates.
5. Provision of completed reporting templates by the participating companies and government agencies, where the data provided formed the basis for the reconciliation;
6. Preparation of reconciliation schedules based on the reported data, comparison of payments reported by extractive companies and government agencies to receipts reported by SOEs and government agencies and review of initial identified differences;
7. Initial differences are subjected to investigation and joint discussion with the participating entities and respective government agencies, and where the differences are resolved, adjustments were made to the reconciliation schedules; and
8. Remaining unreconciled differences are retained as final differences and explanations provided for the reasons.

3.1.1. Scoping Study

The first phase for scoping was completed with the scoping presentation to MSG held in Naypyidaw on 26 November 2018. The Scoping Study report set out the scope of the fourth MEITI report, covering known limitations in the scoping process, materiality thresholds for the revenue streams by sector to be included in the reconciliation process, payments and revenues (tax and non tax) to be reported, extractive companies and government agencies in scope for reporting, approach for obtaining assurances on the data being reported, level of disaggregation and investigation threshold for differences identified. The scope of the fourth MEITI reconciliation process was agreed by the MSG.

3.1.2. Data Gathering

Standardised reporting templates together with reporting instructions were prepared in MS Excel format based on the prior year's templates and tailored for the new requirements in the current year. The templates are formatted with areas for reporting cash (tax and non-tax) and in-kind revenue streams and other information requested for EITI reporting. Myanmar language translation of revenue streams was provided, to facilitate ease of identification of information for reporting by the companies. The reporting templates also requested for further details of breakdown of payments and receipts for the year with date and supporting references.

The training for reporting companies and government agencies on the completion of the reporting templates was conducted on 4, 5 December 2018, and subsequent make-up training was conducted on 14 December 2018 for the companies that missed the first training. The reporting templates were then sent by email to the companies and government agencies and required to be submitted both electronically and via signed hard copies.

3.1.3. Reconciliation Approach

The deadline for submission of the reporting templates was set for 21 December 2018 and this was further extended for certain reporting entities. A number of companies only provided the reporting templates in January 2019 with the final ones received on 16 January 2019. The data reconciliation exercise was carried out between 9 January 2019 and 11 February 2019.

We performed the following reconciliation procedures to arrive at the final difference:

Initial reconciliation: Reconciliation schedules were prepared for comparative analysis between templates reported by the companies and the government agencies. Initial differences were listed by separate revenue item for each company and Government Agency.

Where the company's data agreed to the government agency's data or where the initial variance is below the investigation threshold, the government data were considered to be agreed and no further follow up was performed. Where the company's data and the government agency's data differed by more than the investigation threshold, we conducted initial investigation on the possible causes of variance.

Initial investigation of differences: We conducted follow up procedures including inquiry with management personnel on possible causes of differences and/or held reconciliation meetings jointly with the companies and respective government agencies. The investigation took place in two phases:

- **1st Reconciliation:** We arranged meetings with relevant officials of the companies and government agencies. We discussed possible causes of difference with the responsible personnel, and requested for and sighted supporting documents including listings generated from accounting systems setting out the payments/receipts reported. Adjustments were only made where appropriate supporting documents such were presented and/or mutually agreed with the company and government agency.
- **2nd Reconciliation:** After the first round of reconciliation and if the adjusted reconciling difference continued to differ by more than the investigation threshold, we formally invited the companies and government agencies to a joint meeting for further discussion and review of company's documents against government agencies' documents. Similarly, adjustments were made during the second reconciliation only when appropriate supporting documentation were provided and/or mutually agreed with the company and government agency.

As part of the reconciliation process, a variance threshold was set to determine the acceptable level of effort to be spent in attempting to resolve discrepancies. In case of variance between the reported amounts of the participating company and the government agency, an **investigation threshold** based on MMK 5 million was applied to determine whether the discrepancy was material for follow up analysis. A difference between the company data and the government data below MMK 5 million was considered to be sufficiently minor and not material to the MEITI report, and hence left as acceptable difference.

Final difference: Any reconciling differences that remained as unexplained or unsupported was determined to be the final difference post-reconciliation and reported as such.

Challenges encountered

(i) Data submitted

The process to obtain accurate data for reconciliation was time-consuming as several companies either provided the wrong data or filled in the data in the wrong fields, resulting in extensive discussions and explanation with the companies to resolve the errors so as to receive the correct information for reconciliation. A number of companies also informed they could not meet the tight reporting deadline and the reporting deadline was further extended for some companies to enable us to accept delayed submissions.

In addition, MEHL and MEC provided only non-digitised hardcopies of reporting templates which are also not in the requested summarised format, but with individual minerals data being reported in separate documents. Additional time was spent to convert such hard copy and piece-meal information to MS excel format with summary for each company to facilitate the reconciliation process.

(ii) Delayed submission of reporting templates

Out of the 171 reporting companies, 114 companies accomplished and submitted the reporting templates on or before the deadline of 21 December 2018, 39 companies submitted the reporting templates after 21 December 2018 and 18 companies did not participate. The list of companies that did not participate is set out in the subsequent sub-section of this report.

The initial non-submission and late submissions led to a drawn-out reconciliation process. A significant amount of time was spent on monitoring and following up with the companies through telephone calls and emails to ensure that reporting templates would be submitted to enable the production of comprehensively reconciled data. In some instances, the companies only provided data with rigorous follow-up after the original deadline lapsed.

(iii) Recording systems of SOEs and government agencies

The records for the SOEs and other government agencies are kept using mainly MS excel format and some records are maintained only in hard copies (e.g. receipt details for DoM). During the data collection and reconciliation process, we noted that in some cases, due to limitations in the current systems used by Government Agencies, it was not easy for the Government Agencies to prepare comprehensive digitalised information for reporting, and significant time and resources were needed by the government agencies to collate and check the information.

For example, for unilateral disclosure of revenue collected for extractive companies not in scope for reporting, MCD extracted and collated the data manually based on the companies list provided by MGE, DOM, ME-1 and ME-2. The IA also spent time to assist MCD to summarise the total data values in the prescribed template format.

As observed from the reconciliation process, there were also subsequent adjustments made to the data reported by the government agencies.

Due to the above factors, the data collection and reconciliation process took significant time and there was also risk of inaccurate data being reported.

3.1.4. Data Quality and Assurance

Initial Assessment: The IA applied its professional judgement to assess the extent to which reliance can be placed on the Existing Controls and Audit Framework of the companies, SOEs and government entities. Considerations were given to factors such as the applicable accounting and auditing standards, local requirements for audits, and accessibility of appropriate management to confirm the accuracy of the data.

With these factors in mind, data credibility was established in the below manner as agreed with the MSG.

Extractive Companies

The extractive companies applied Myanmar Financial Reporting Standards in preparing their financial statements and these are required to be audited based on Myanmar Standards on Auditing. Both local accounting and auditing standards are largely aligned to international standards. The Existing Controls and Audit Framework and the Initial Assessment of Assurance were considered medium for Oil and Gas companies and low for other sectors.

Accordingly, the reporting templates submitted by the participating entities are required to be:

- completed thoroughly with summary of payment flows and detailed schedules detailing the payments made by the company;
- acknowledged and signed by a person authorised to represent the extractive company*;
- accompanied by detailed receipts of the payments reported; and
- accompanied by a copy of signed letter by the auditors that the audit of the financial statements for FY2016-17 is completed or a copy of the signed audit opinion.

* Matters confirmed by the authorised person include that the reporting template was prepared in accordance with the reporting guidelines, the information is complete and accurate, extracted from the entity's accounting records, and supported by receipts and documentary evidence and that the entity's accounts have been audited and an unqualified audit opinion issued.

SOEs and government agencies

The IA has considered that in most developing countries, the Existing Controls and Audit Framework and hence Initial Assessment of Assurance for central government entities are considered to be in low range of the rating which is consistent with the past MEITI reports' recommendations relating to reforms of government accounting systems.

Accordingly, Reporting Templates are required to be submitted by SOEs and government agencies and to be:

- completed thoroughly with the summary of payment flows and detailed schedules detailing the payments and receipts made by the Government Agency;
- acknowledged and signed by a person authorised to represent the Government Agency*;
- accompanied by detailed receipts of the payments reported; and
- certified by the OAG.

* Matters confirmed by the authorised person include that the reporting template was prepared in accordance with the reporting guidelines, the information is complete and accurate, extracted from the entity's accounting records, and supported by receipts and documentary evidence and that the entity's accounts have been audited and an unqualified audit opinion issued.

Final Assessment: The scope of work for the Independent Administrator are based on procedures discussed and agreed with the MSG at the Scoping phase. Those procedures do not constitute an audit or review conducted in accordance with generally accepted auditing standards. The Independent Administrator has placed reliance on sign-offs by the authorised persons of reporting entities, audit that was performed by the auditor of reporting entities, or the certification provided by OAG for the government agencies. Based on the procedures for data assurance over the reporting templates agreed by the MSG, the results are as follow:

Extractive companies	Number of companies	Revenue reported by government agencies after adjustments MMK million	% based on revenue
No confirmation of audit and no signed hard copy of Reporting Template	19	6,654	0.4%
Provided signed hard copy of Reporting Template but no confirmation of audit	6	13,328	0.9%
Provided signed hard copy of Reporting Template and confirmation of audit	146	1,540,221	98.7%
Total	171	1,560,202	100%

Government Agencies and SOEs	Number of entities	Revenue reported by government agencies after adjustments MMK million	% based on revenue stream
No audit certification and no signed hard copy of Reporting Template	-	-	-
Provided signed hard copy of Reporting Template but no audit certification	-	-	-
Provided signed hard copy of Reporting Template and audit certification	12	2,489,595	100%
Total	12	2,489,595	100%

Based on the procedures agreed with MSG for data assurance, the final assessment of data assurance after the data reconciliation is as follow:

146 out of 171 companies submitted reporting templates signed by an authorised person, supported by confirmations that their financial statements for FY 2016-2017 have been audited. The payments made by these reporting companies represented 98.5% of the total reconciled revenues reported by the Government Agencies. For the Government Agencies, all reporting templates were returned with signatures of authorised persons that were also certified by the OAG. Accordingly, the participating companies and government agencies have provided the Independent Administrator with data quality assurance based on the submitted signed reporting templates and confirmation that their financial statements for FY 2016-2017 have been audited or certified by the OAG. On that basis and the extent of revenue coverage achieved from those reporting entities highlighted above, the overall comprehensiveness and reliability of financial data reconciled between participating companies and government agencies have been assessed as satisfactory.

Recommendations for SOEs and other government agencies to continue with their ongoing efforts to improve the quality of their underlying data as well as their data assurance and reconciliation process have been included under Section 4.

3.1.5. Basis and Period of Reporting

The reporting period for the fourth MEITI report is defined by the MSG to be based on the Fiscal Year 2016-2017 (FY 2016-17) which is for the period from 1 April 2016 to 31 March 2017. The revenue streams included in the reconciliation scope relates to the payments made by extractive companies and revenues received by extractive Government Agencies in FY 2016-17. The period in which the fees are incurred by companies are not relevant and only the period in which the fees were paid and reported is relevant (i.e. cash basis of reporting).

The reporting currency is Myanmar Kyats (MMK). For payments made in foreign currency, the reporting entities were required to report in the currency of payment. Payments made in foreign currencies (USD\$ and EURO) have been converted to MMK at the actual rate used by the Government Agency to record the amount received.

Where actual rates were not available or not disclosed by the reporting entities, we applied the average rate for the period as published by the Central Bank of Myanmar. The average rate used were as follows:

USD\$ 1 = MMK 1,257.00

EURO 1 = MMK 1,378.36

3.1.6. Provisions for Safeguarding Confidential Information

To ensure confidentiality of the data collected from the reporting companies and government agencies, the following measures have been applied:

- Only data relating to and required by the EITI Standard, IA Terms of Reference and reconciliation process has been requested.
- The peripherals used in the data collection processes included of password-protected laptops. The IA's electronic communications such as e-mails were conducted on secure email servers;
- Completed reporting templates and any other information considered sensitive or confidential were requested to be sent directly to the Independent Administrator's email address: myanmar.eiti.sg@sg.pwc.com ; and
- Any other additional information requested from Government Agencies or extractive companies for the reconciliation purpose were processed in a timely and secured manner with reference to the above protocol.

3.2 Reconciliation Scope

The determination of materiality is mainly driven by monetary values and by whether these revenue streams are considered as primary sources of receipts, as confirmed by the government agencies receiving the revenue. Similar to the third MEITI report, the MSG has agreed for the materiality level for the fourth MEITI report to be 2% of the total revenue for the extractive sector reported by the Government Agencies.

The materiality for each sector (i.e. Oil and Gas, Oil and Gas Transportation, Gems and Jade, Other Minerals and Pearl) were assessed separately based on the statements of revenues provided by the government agencies for FY 2016-17. For the revenues streams relating to each sector, the analysis of materiality has been done separately for each government agency without compiling all the data (as the compiled data is not available). The oil and gas sector, being the most material sector, scoped in all companies with no materiality threshold. For the gems and jade and other minerals sectors, the scoping was done based on at least the same level of coverage compared to prior year due to the large number of extractive companies in these sectors.

Revenue streams are segregated into tax revenue and non-tax revenue streams. Apart from payments to government agencies, extractive companies were also asked to disclose social security board contributions, contributions to state/region social development fund and other social expenditure.

3.2.1. Tax Revenue Streams

Tax revenue streams comprise of direct and indirect tax payments and other taxes. The types of tax revenue collections from the extractive sector are listed in the below table. The MSG has decided to include in scope all the identified tax revenue streams collected by IRD and MCD set out in the below table for the 2016-2017 reconciliation without applying a materiality threshold.

	Type	Description	Agency
1	Direct taxes	Corporate income tax	IRD
2	Direct taxes	Capital gains tax	IRD
3	Indirect taxes	Withholding tax	IRD
4	Indirect taxes	Commercial tax	IRD
5	Indirect taxes	Specific goods tax	IRD
6	Indirect taxes	Custom duty	MCD
7	Other taxes	Stamp duty	IRD

For the below tax revenue stream, the MSG decided for unilateral reporting by the extractive companies and this did not form part of the reconciliation process.

	Type	Description	Agency
1	Direct taxes	Personal income tax	IRD

The description of each payment flow is set out in Appendix 9.

3.2.2. Non Tax Revenue Streams - Oil and Gas Sector

The flowcharts below depict the streams of payment flows for the Oil and Gas Sector.

Figure 29. Oil and Gas payment flows for Onshore and Offshore PSC

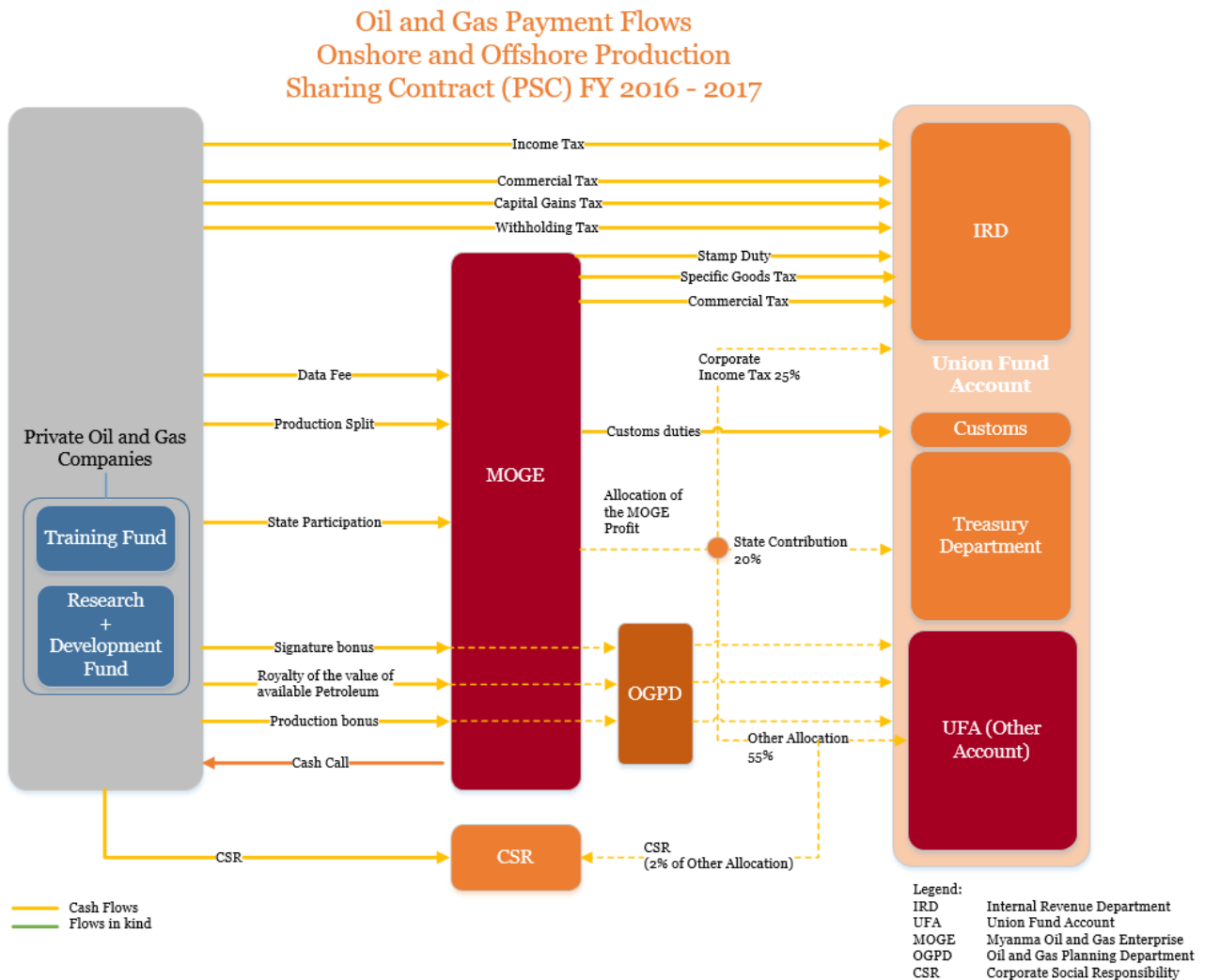


Figure 30. Oil and Gas payment flows for onshore PCC

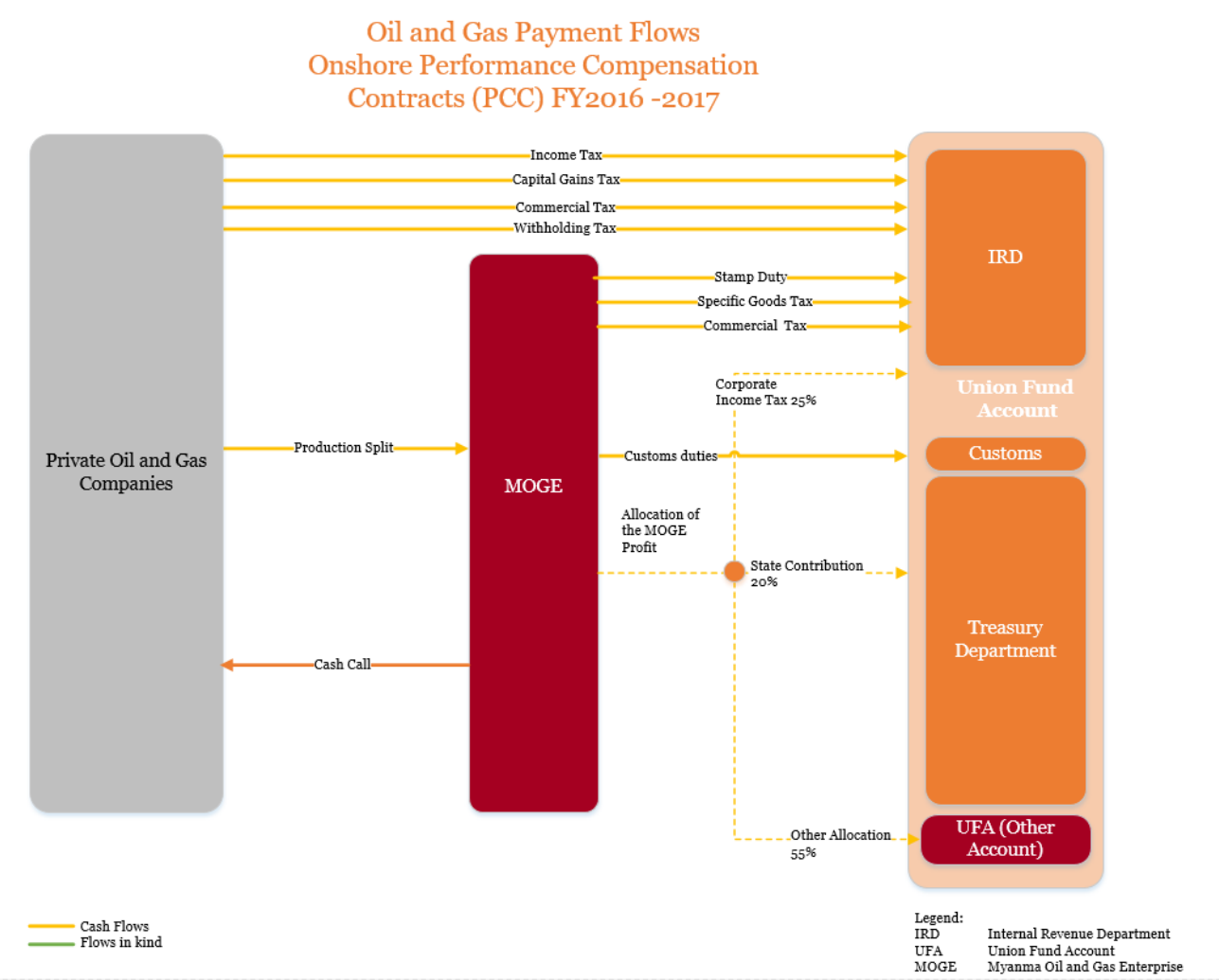
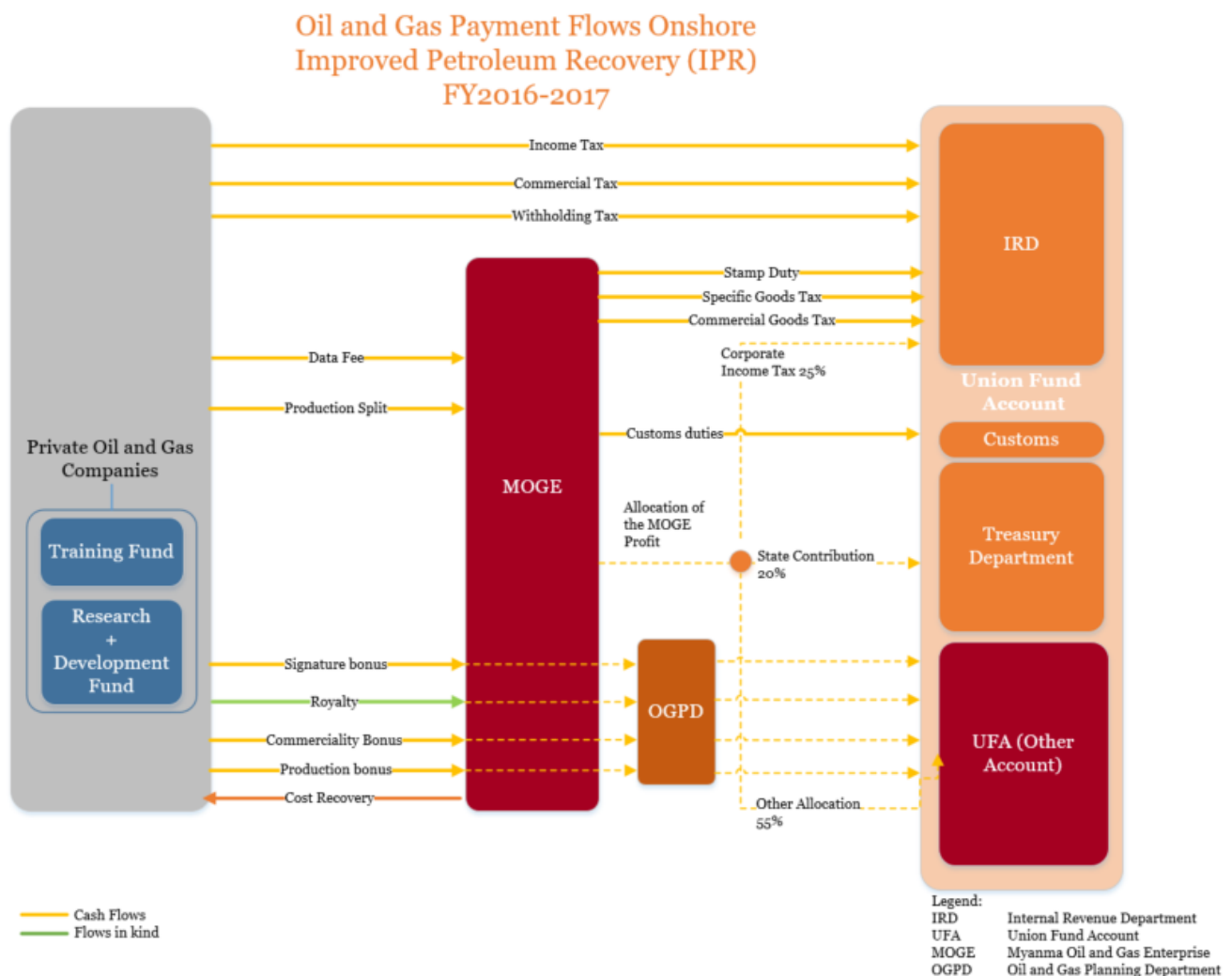


Figure 31 Oil and Gas payment flows for onshore IPR



The MSG has decided to include all the cash and in-kind non-tax payments made to MOGE in the scope of the fourth EITI Report without applying a materiality threshold. Hence, the below cash and in-kind payments were selected in the scope of the FY2016-2017 Report.

Description	
1	Signature bonus
2	Royalties
3	Data Fee
4	State Participation
5	Production Split
6	Production Bonus
7	Commerciality Bonus
8	Cost Recovery (received from MOGE)
9	<i>In-kind:</i> Royalties

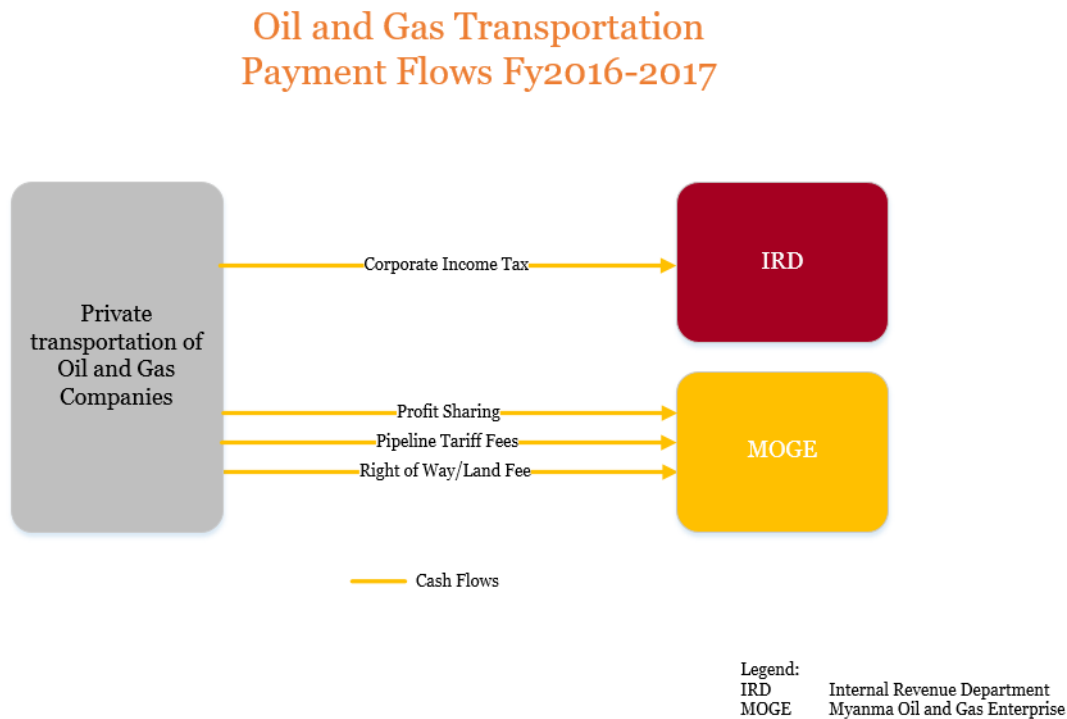
For the sale of the State's Share of production, the MSG decided to disclose the unilateral reporting by MOGE without reconciling with the extractive companies.

The description of each payment flow is set out in Appendix 9.

3.2.3. Non Tax Revenue Streams - Oil and Gas Transportation Sector

The flowchart below depicts the payment flows for the Oil and Gas Transportation sector:

Figure 32 Oil and Gas transportation payment flows



The MSG has decided to include all the non-tax revenue streams in the scope of the fourth EITI Report without applying a materiality threshold. Hence, the below payments were selected in the scope of the FY2016-2017 Report:

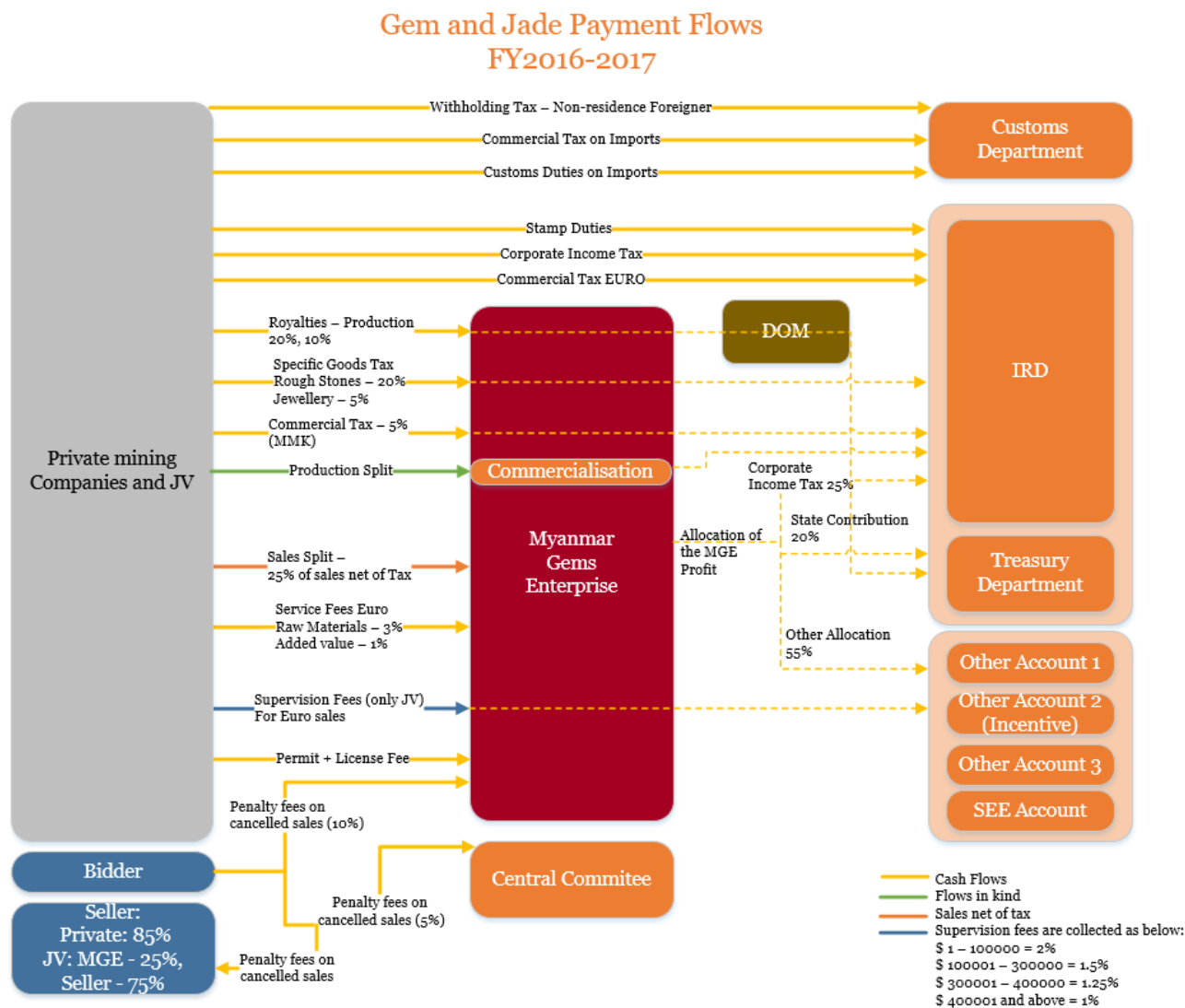
Description	
1	Profit Sharing
2	Right of Way

The description of each payment flow is set out in Appendix 9.

3.2.4. Non Tax Revenue Streams – Gems and Jade, Other Minerals, Pearl

The flowchart below depicts the payment flows for the Gems and Jade sector:

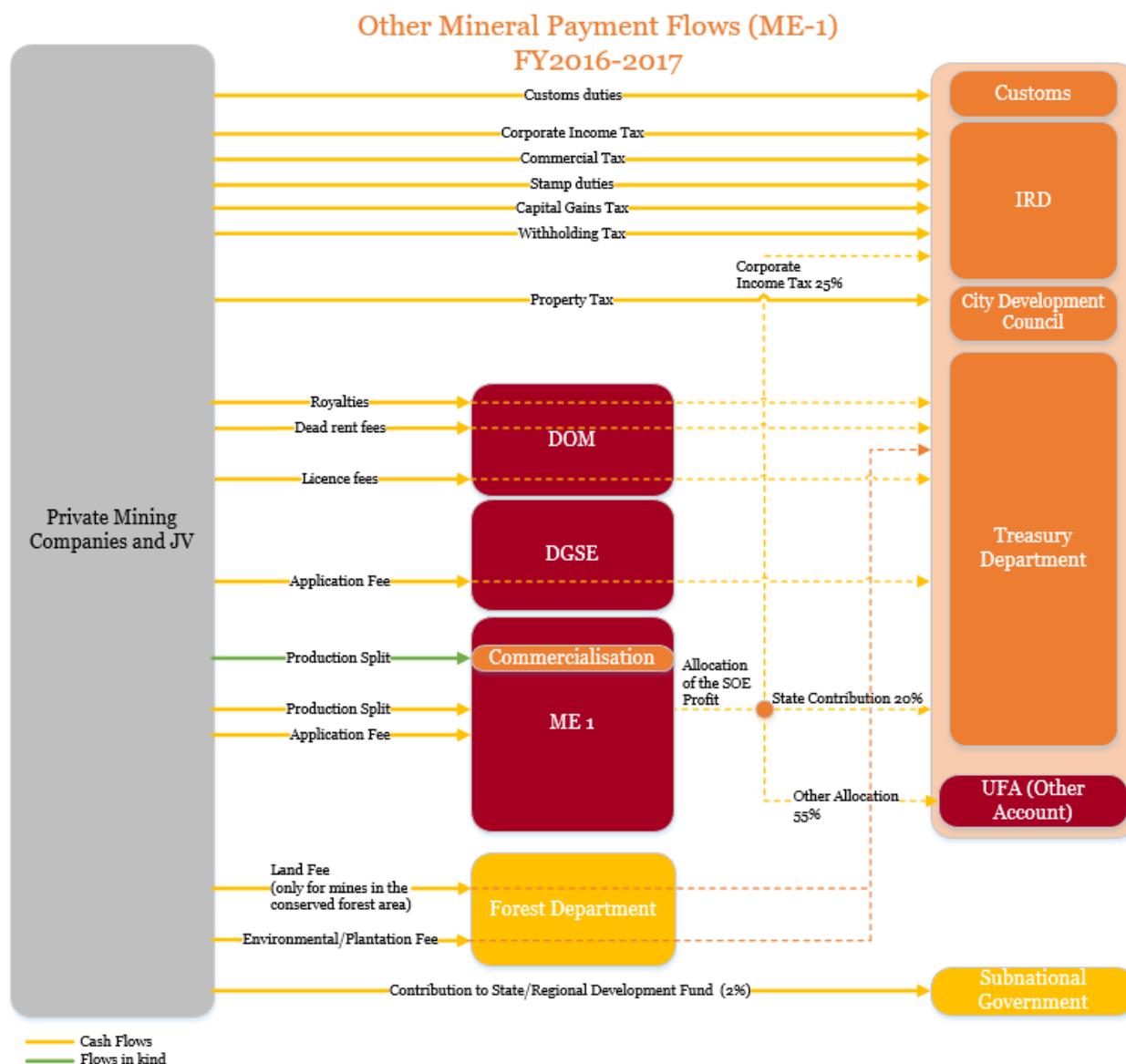
Figure 33 Gems and Jade sector payment flows



The payment flows for other minerals are segregated according to the types of minerals, which are classified into 2 mining enterprise categories, ME1 and ME2.

The following flowchart depicts the payment flows for the mining enterprise ME1.

Figure 34 ME1 payment flows

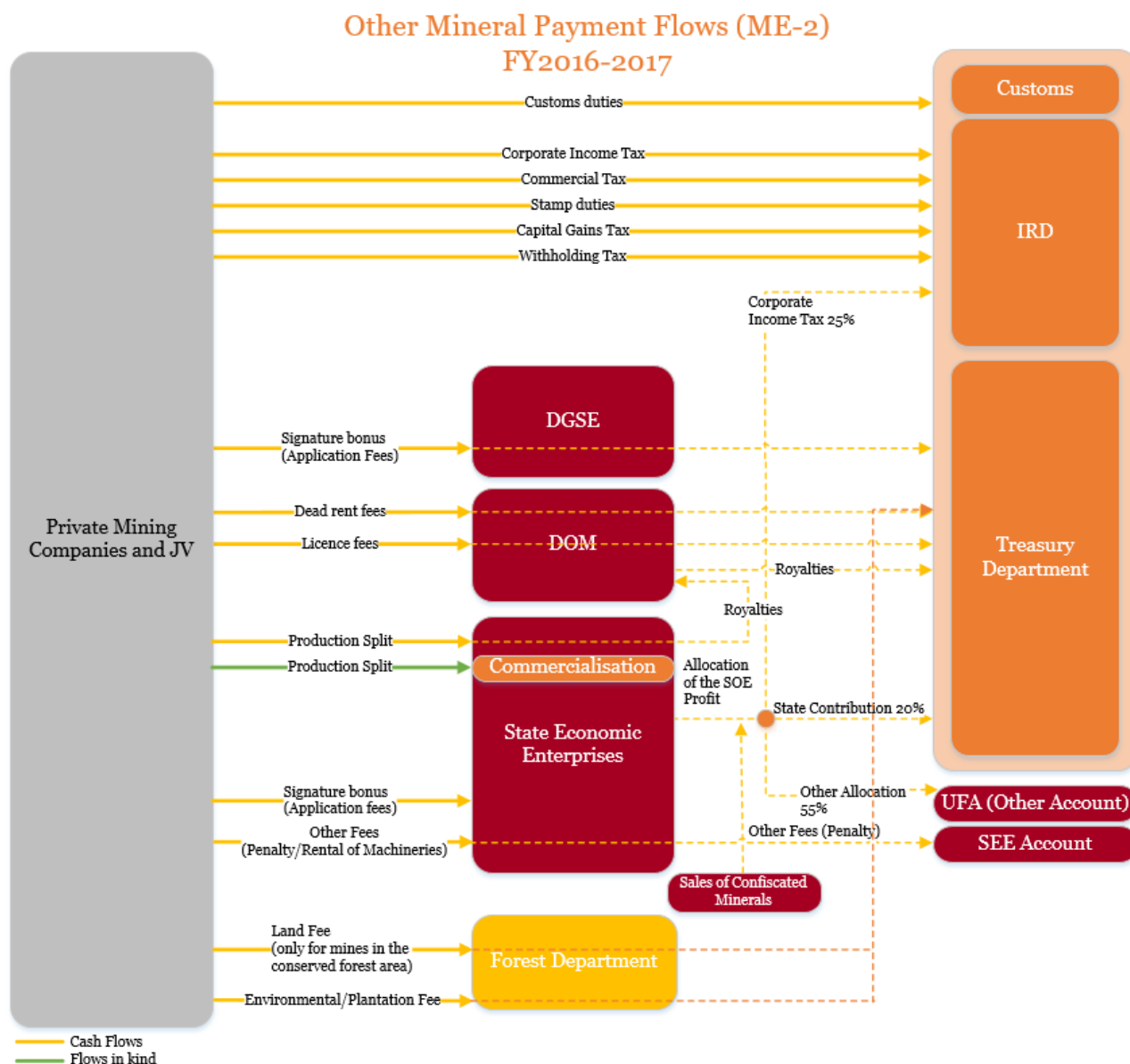


Legend:

IRD Internal Revenue Department
 DOM Department of Mines
 DGSE Department of Geological Survey & Mineral Exploration
 ME2 Mining Enterprise 1
 SOE State Owned Enterprise
 UFA Union Fund Account

The following flowchart depicts the payment flows for the mining enterprise ME2.

Figure 35 ME2 payment flows

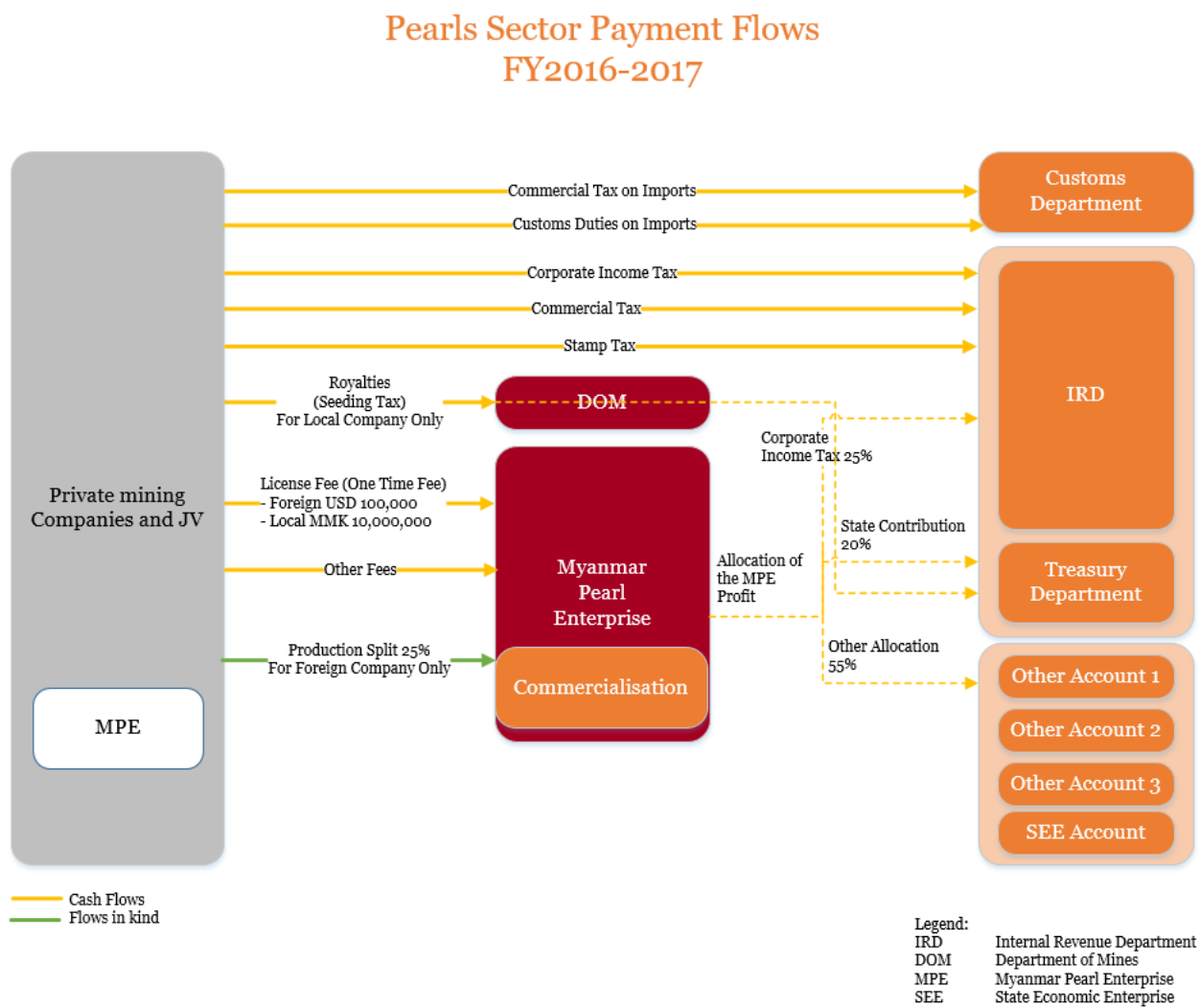


Legend:

IRD Internal Revenue Department
DOM Department of Mines
DGSE Department of Geological Survey & Mineral Exploration
ME2 Mining Enterprise 1
SOE State Owned Enterprise
UFA Union Fund Account

The flowchart below depicts the payment flows for the Pearl sector:

Figure 36 Pearl payment flows



The below cash and in-kind revenue streams determined to be within the scope of the FY2016-17 MEITI Report by the MSG are those payments made to the below agencies. The MSG has decided to include all the cash and in-kind non-tax revenue streams in the scope of the FY2016-17 EITI Report without applying a materiality threshold.

Gems and Jade

	Description	Agency
1	Royalties	DOM
2	Land fee	Forest Department
3	Environment/plantation fee	Forest Department
4	Commercial tax	MGE
5	Specific goods tax	MGE
6	Sales split	MGE
7	Services fees for Euro sales	MGE
8	Supervision fees for Euro sale	MGE
9	Permit/License fee	MGE
10	In-kind: Production split	MGE

Mining

	Description	Agency
1	Royalties	DOM
2	Dead Rent fee	DOM
3	Licence fee	DOM
4	Application fees	DGSE
5	Land fee	Forest Department
6	Environment/plantation fee	Forest Department
7	Production split	ME1 / ME2
8	Application fees	ME1 / ME2
9	Other fees (penalty/rental of machinery)	ME2
10	In-kind: Production split	ME1 / ME2
11	In-kind: Royalty	DOM

Pearl

	Description	Agency
1	Royalties (seeding tax - for local companies only)	DOM
2	Licence fee	MPE
3	Other fees	MPE
4	Penalty fees	MPE
5	In-kind: Production split	MPE

For the sale of the State's Share of production, the MSG decided to disclose the unilateral reporting by the above SOEs and DOM without reconciliation with the extractive companies.

The types of payment flows in cash for the gems and jade, other minerals and pearl sectors and there are set out in Appendix 9.

3.2.5. Transfers from SOEs to the Government

As agreed with MSG, the revenue streams in scope for reconciliation included all the transfers made or reported by SOEs and revenues received by or reported to the Government Agencies during FY2016-2017 as set out below:

Transfer from MOGE to Government	
	MoPF-Internal Revenue Department
1	Corporate Income Tax
2	Personal Income Tax
3	Commercial Tax
4	Capital Gains Tax
5	Withholding tax - Resident
6	Withholding tax - Non-Resident
7	Stamp Duties
8	Specific Goods Tax
	MoPF- Myanmar Customs Department
9	Custom Duty
10	Commercial Tax on Imported Capital Equipment
11	Commercial Tax on Imports on Raw Materials and Inventories
	OGPD
12	Royalties

13	Signature Bonus
14	Data Fee
15	Production Bonus
16	Commerciality Bonus
	MoPF-Treasury
15	State Contribution
	MoPF-Budget
16	Transfer to (UFA) Other Account
Transfer from ME1 to Government	
	MoPF- Myanmar Customs Department
1	Custom duty
2	Commercial Tax on Imported Capital Equipment
3	Commercial Tax on Imports on Raw Materials and Inventories
	MoPF-Internal Revenue Department
4	Corporate Income Tax
5	Personal Income Tax
6	Commercial Tax
7	Capital Gains Tax
8	Withholding tax - Resident
9	Withholding tax - Non-Resident
10	Stamp Duties
11	Specific Goods Tax
	MoPF-Treasury
12	State Contribution
	MoPF-Budget
13	Transfer to (UFA) Other Account
Transfer from ME2 to Government	
	MoPF- Myanmar Customs Department
1	Custom Duty
2	Commercial Tax on Imported Capital Equipment
3	Commercial Tax on Imports on Raw Materials and Inventories
	MoPF-Internal Revenue Department
4	Corporate Income Tax
5	Personal Income Tax
6	Commercial Tax
7	Capital Gains Tax
8	Withholding tax - Resident
9	Withholding tax - Non-Resident
10	Stamp Duties
11	Specific Goods Tax
	MoPF-Treasury
12	State Contribution
	MoPF-Budget
13	Transfer to (UFA) Other Account
	Department of Mines
14	Royalties (only ME2)
Transfer from MGE to Government	
	MoPF-Myanmar Customs Department
1	Custom Duty
2	Commercial Tax on Imported Capital Equipment
3	Commercial Tax on Imports on Raw Materials and Inventories
	MoPF-Internal Revenue Department
4	Corporate Income Tax
5	Commercial Tax - 5% (MMK) (Collected from Companies)
6	Commercial Tax - MGE sales
7	Specific Goods Tax - Rough Stones 20%, Jewellery 5% (Collected from Companies)
8	Specific Goods Tax - Rough Stones 20%, Jewellery 5% (MGE Sales)
9	Capital Gains Tax
10	Withholding Tax - Resident
11	Withholding Tax - Non-Resident
12	Stamp Duties
13	Personal Income Tax
	MONREC - Department of Mine (DOM)
14	Royalties
	MoPF-Treasury
15	State Contribution
	MoPF-Budget
16	Transfer to Other Account
17	Transfer to Other Account (2)
Transfer from MPE to Government	
	MoPF-Myanmar Customs Department

1	Custom duty
2	Commercial Tax on Imported Capital Equipment
3	Commercial Tax on Imports on Raw Materials and Inventories
MoPF-Internal Revenue Department	
4	Corporate Income Tax
5	Commercial Tax
6	Stamp Duties
7	Capital Gains Tax
8	Withholding Tax
9	Personal Income Tax
MoPF-Treasury	
10	State Contribution
MoPF-Budget	
11	Transfer to (UFA) Other Account

3.2.6. Social Payments

According to Requirement 6.1 of the EITI Standard, material social expenditures by companies in the extractive sector which are mandated by law or contracted with government must be reconciled where necessary and disclosed in the EITI report, and where the multi-stakeholder group agrees that discretionary social expenditures and transfers are material, the multi-stakeholder group is encouraged to develop a reporting process with a view to achieving transparency.

MOGE provided guidelines of implementation of Corporate Social Responsibility (CSR) programs for all Production Sharing Contract (PSC) companies and CSR has been established at MOGE where 2% of the Net Profit of MOGE will be allocated to the CSR Fund. The Yadana (Socio-Economic Programme (SEP)) and Shwe Gas pipelines are two examples of the CSR programs.

The reporting companies were asked to report any social security board contributions, contributions to state/region social development funds, and mandatory and voluntary social expenditures including details of the projects and beneficiaries of such expenditures. According to the MSG decision, these payments were not included in the flows to be reconciled.

3.2.7. Quasi-fiscal Expenditures

According to Requirement 6.2 of the EITI 2016 Standard, disclosures on quasi-fiscal expenditures which include arrangements whereby SOEs undertake public social expenditure such as payments for social services, public infrastructure, fuel subsidies and national debt servicing, etc., outside of the national budgetary process are required.

The Government Agencies and SOEs selected in the scope were asked to disclose any quasi-fiscal expenditures. These payments were declared by Government Agencies and SOEs and were not included in the flows to be reconciled.

3.2.8. Infrastructure Provisions and Barter Arrangements

According to Requirement 4.3. of the EITI 2016 Standard, any material sets of agreements or contracts involving the provision of goods and services (including loans, grants and infrastructure works), in full or partial exchange for oil, gas or mining exploration or production concessions or physical delivery of such commodities are required to be addressed in the report.

Reporting companies and SOEs were asked to report infrastructure provisions but these are not included in the flows to be reconciled.

3.2.9. Loan/Loan Guarantee Granted to Entities Operating in the Extractive Sector

According to Requirement 2.6 (b) of the EITI 2016 Standard, where the government and SOE(s) have provided loans or loan guarantees to Mining and Oil and Gas companies operating within the country, details on these transactions should be disclosed in the EITI Report.

The MSG has decided to require the SOEs for unilateral reporting for loans /loan guarantee granted by SOEs and Treasury Department within MoPF to entities operating in the extractive sector.

3.3. Entities in Scope for Reporting

3.3.1. Oil and Gas Sector

The MSG decided to include all the operators and partners in producing fields and exploration companies without applying a materiality threshold for FY2016-2017. On this basis, the number of companies in the Oil and Gas sector included in the reconciliation amounted to 41 entities.

These companies are presented as follows:

	Company	FY2016-17 In scope (Y/N)	FY2015-16 In scope (Y/N)
Operator in producing field	1 GoldPetrol Joint Operating Company Inc., (GJOC Inc.)	Y	Y
	2 MPRL E&P Pte Ltd. (Yangon Branch)	Y	Y
	3 PC Myanmar (Hong Kong) Limited	Y	Y
	4 Posco Daewoo Corporation (Myanmar E&P Office)	Y	Y
	5 PTTEP International Ltd.	Y	Y
	6 Total E&P Myanmar	Y	Y
Partner in the producing field	7 Gail JJ India Ltd	Did not participate	Y
	8 Korea Gas Corporation	Did not participate	Y
	9 Nippon Oil	Did not participate	N
	10 ONGC Videsh Ltd.,	Y	Y
	11 Unocal Myanmar Offshore Co., Ltd.	Y	Y
Operators with Blocks in the Study and Exploration Phases	12 Asia Orient International Ltd. (CJs Oc Nobel Oil)	Did not participate	N
	13 Bashneft International B.V. (Myanmar Branch)	Y	Y
	14 Berlanga Myanmar Pte Ltd., (Myanmar Branch)	Y	Y
	15 BG Exploration & Production Myanmar Pte. Ltd. (Myanmar Branch)	Y	Y
	16 Brunei National Petroleum Company Sdn Bhd (PB Myanmar)	Y	Y
	17 CAOG PTE LTD (MYANMAR BRANCH)	Y	Y
	18 CFG Energy Pte Ltd.,	Y	N
	19 Chinnery Assets Limited (Myanmar Branch)	Y	Y
	20 ENI Myanmar B.V. (Myanmar Branch)	Y	Y
	21 Geopetrol International Holding Inc.	Did not participate	Y
	22 IsTech Energy EP-5 Pte Ltd., (Myanmar Branch)	Y	Y
	23 JSC Nobel Oil	Did not participate	N
	24 Jubilant Oil & Gas Pte. Ltd.	Did not participate	N
	25 North Petro-Chem Corporation Myanmar Ltd. (NPCMM)	Did not participate	N
	26 Oil India Limited	Did not participate	N
	27 Ophir Myanmar (Block AD-3) Limited (Myanmar Branch)	Y	Y
	28 Pacific Hunt Energy Corporation (Myanmar Branch)	Y	Y
	29 Parami Energy Development Company Ltd	Y	N
	30 Petroleum Exploration (PVT) Ltd.	Did not participate	N
	31 Petronas Carigali Myanmar Inc (PCMI)	Y	Y
	32 Petrovietnam Exploration Production Corporation	Did not participate	N
	33 PTTEP SA	Y	Yes
	34 Reliance Industries Ltd.	Did not participate	N
	35 Shell Myanmar Energy Pte. Ltd. - Yangon Branch	Y	Y
	36 SINOPEC	Did not participate	N
	37 SNOG Pte Ltd	Y	Y
	38 Statoil Myanmar Pte. Ltd	Did not participate	Y
	39 Tap Energy (M-7) Co., Ltd. (Statoil)	Did not participate	N
	40 TRG M15 Pte. Ltd.	Did not participate	N
	41 Woodside Energy (Myanmar) Pte Ltd	Y	Y

3.3.2. Oil and Gas Transportation Sector

Given the limited number of companies in Oil and Gas transportation sector, MSG decided to include all the operators in the reconciliation scope without applying a materiality threshold. There were five Oil and Gas Transportation companies and as one company was entitled to 5 years tax exemption under the MIC permit, the remaining four companies were included in the reconciliation scope for FY2016-2017. These companies are set out below:

Company		FY2016-17 In scope (Y/N)	FY2015-16 In scope (Y/N)
1	Andaman Transportation Limited (Yangon Branch)	Y	Y
2	Moattama Gas Transportation Company (Yangon Branch)	Y	Y
3	South East Asia Gas Pipeline Co (SEAGP)	Y	Y
4	Taninthayi Pipeline Company LLC	Y	Y

3.3.3. Gems and Jade Sector

The companies scoped-in met the materiality threshold as set out in the below table and were included in the reconciliation process for FY2016-17 in the materiality analysis decision decided by the MSG.

Payment thresholds	Threshold (in MMK billion)	Coverage by Government Agency	Overall Coverage	No. of Entities
MONREC	1	72%	71%	84
IRD	0.5	74%		
MCD	1	68%		

For companies whose payments made were below the above thresholds, the MSG decided to include through unilateral disclosure by the Government Agencies of the total revenue stream from the companies.

List of gems and jade companies that were included in the reconciliation scope for the EITI Report for FY2016-17 are set out below:

Company		FY2016-17 In scope (Y/N)	FY2015-16 In scope (Y/N)
1	(1.1.1) Gems & Jewellery Co.,Ltd	Y	N - Not in scope
2	Agga Yadanar Min Yarzar Jade Gems & Jewellery Co., Ltd.	Y	N - Not in scope
3	Aung Naing Naing Gems Co.,Ltd	Y	N - Not in scope
4	Aung Myin Thu (AMT) Company	Y	N - Not in scope
5	Ayar Jade Company	Y	Y
6	Ayar Yadanar (AYY) Company	Y	Y
7	Ba Wa Tet Lan	Y	N - Not in scope
8	CANCRI (GEMS & JEWELLERY) CO., LTD (Phu Sha Star)	Y	N - Not in scope
9	Chang Long Gems & Jewellery Co.,Ltd.	Y	N - Not in scope
10	Chaow Brothers (GCB) (Venture)	Y	Y
11	Crystal Red Gems Co.,Ltd	Y	N - Not in scope
12	Emerald Garden Co., Ltd.	Y	Y
13	Ever Winner Gems Company [EW]	Y	N - Not in scope
14	Farmer Phyoyarzar Gems Co., Ltd	Y	N - Not in scope
15	Golden Grate Wall Gems Co.,Ltd	Y	N - Not in scope
16	Great Genesis Gems (GMH) Company	Y	Y
17	Great Nine	Y	N - Not in scope
18	GREEN MOUNTAIN COMPANY LIMITED	Y	N - Not in scope
19	Hawk Kyi Jewellery Company	Y	N - Not in scope

Company		FY2016-17 In scope (Y/N)	FY2015-16 In scope (Y/N)
20	Jade Ayer International Co.,Ltd	Y	N - Not in scope
21	Jade Mountain Gems Company	Y	Y
22	Jade New Gems & Jewellery Co., Ltd.	Y	N - Not in scope
23	Jade Padathar Company	Y	N - Not in scope
24	Jade Palace (Kyauk Seinn Nandaw Gems & Jewellery Co., Ltd.)	Y	N - Not in scope
25	Jade Pioneer Company Limited (Jade Shaesaung)	Y	N - Not in scope
26	JADE TREASURE COMPANY LIMITED	Y	N - Not in scope
27	Kachin Nationals Development@ Progress Gems Co.,Ltd	Y	Y
28	Kaung Myat Thukha Co., Ltd	Y	Y
29	Kaung Su Aung Jade & Gmes Co., Ltd.	Y	N - Not in scope
30	Kaung Su Wai Hlyan Gems Co.,Ltd	Y	N - Not in scope
31	Kaung Swan Htet Company	Y	N - Not in scope
32	Khin Zaw Aung & Brothers Gems and Jewellery Company Limited	Y	Y
33	Khine Lon Company (KL)	Y	Y
34	KHUN PA-OH GEMS & JEWELLERY CO LTD.	Y	Y
35	Kyaing International (GKI) Company	Y	Y
36	Kyauk Seinn Sun Shwin Jade, Gems & Jewellery Co., Ltd.	Y	N - Not in scope
37	Kyauk Seinn Wingabar Jade, Gems & Jewellery Company	Y	N - Not in scope
38	Kyaw Naing & Brothers Gems	Y	N - Not in scope
39	Linn Lett Win Yadanar Gems	Y	Y
40	Long Byit Jewellery Co.,Ltd	Y	N - Not in scope
41	Lyan Shan Company	Y	N - Not in scope
42	MYA YAUNG TUN GEMS & JEWELLERY Company	Y	N - Not in scope
43	Myanmar Seinn Lei Aung (MSLA-S) Company	Y	Y
44	Myanmar Ruby Enterprise	Y	N - Not in scope
45	Myanmar Economic Corporation	Y	N - Not in scope
46	Myanmar First Gems & Jewellery Company Limited	Y	N - Not in scope
47	Myanmar Imperial Jade Gems and Jewelery Co., Ltd	Y	Y
48	MYANMAR SI-THU JEWELLERY CO;LTD	Y	Y
49	Myanmar Thura Company [MTY]	Y	N - Not in scope
50	MYAT MYITTA MON GEMS	Did not participate	N - Not in scope
51	Myat Yamon Gems Company Limited	Y	Y
52	Myo Nwe Gems & Jewellery Company Limited	Y	Y
53	Nan Htike Pyae Paing Gems & Jewellery Company Limited	Y	N - Not in scope
54	Nay La Pwint Company	Y	Y
55	New Jade International Company (NJ)	Y	N - Not in scope
56	Nilar Yoma Gems Co.,Ltd	Y	Y
57	Oo Ya Gems & Jewellery Co.,Ltd	Y	N - Not in scope
58	Pang Huke Duwar Company{PHD}	Y	Y
59	Phoe Thar Htoo Gems Company [PTH]	Y	N - Not in scope

Company		FY2016-17 In scope (Y/N)	FY2015-16 In scope (Y/N)
60	Phyo Pyae Sone	Y	N - Not in scope
61	Phyo Thiha Kyaw Gems Co.,Ltd	Y	Y
62	Ruby Dragon Jade & Gems Co.,Ltd.	Y	N - Not in scope
63	Sein Lom Taung Tan Gems Company Limited	Y	Y
64	Sein Thura San Company (GST)	Y	Y
65	Shining Star Light Gems& Jewellery Co.,Ltd (Tauk Pa Thaw)	Y	Y
66	Shwe Byain Phyu (Gems) Company	Y	Y
67	Shwe Gaung Gaung (SGG-S) Company	Y	Y
68	Shwe Oak Khai Mining Company Limited	Y	N - Not in scope
69	Shwe Pyi Thar Gems Trading and Faceting Co-op.,Ltd	Y	Y
70	SILVER ELEPHANT GEMS COMPANY LIMITED (Ngwe sin)	Y	N - Not in scope
71	Super Natural Gems & Jewellery Co., Ltd. (Natural Best)	Y	N - Not in scope
72	Super Same (SPS) Company	Y	N - Not in scope
73	Thirawmani (TYMN_S) Company	Y	Y
74	Tun Naing Aung Company (TNA)	Y	N - Not in scope
75	Unity (GNUT) Company	Y	Y
76	VALUE STANDARD GEMS & JEWELLERY CO., LTD	Y	N - Not in scope
77	Wai Aung Kabar Company	Y	Y
78	Wai Family Gems Company Limited	Y	N - Not in scope
79	Yadanar Kyal [YTK]/ Treasury Star Company Ltd.	Y	N - Not in scope
80	YADANAR SIN THIRI GEMS COMPANY LIMITED	Y	N - Not in scope
81	Yadanar Taung Ten (YTT_S) Company	Y	Y
82	Yadanar Three Elephant Company	Y	N - Not in scope
83	Yar Za Htar Ni Gems Co., Ltd	Y	Y
84	Zebu Thiri Gems Co.,Ltd	Y	N - Not in scope

3.3.4. Other Minerals

The companies scoped-in met the materiality threshold as set out in the below table and were included in the reconciliation process for FY2016-17 in the materiality analysis decision decided by the MSG.

Payment thresholds	Threshold (in bn Ks)	Coverage by Gov Agency	Overall Coverage	No. of Entities
MONREC	0.2	73%	80%	31
IRD	0.5	81%		
MCD	0.1	87%		

For companies whose payments made were below the above thresholds, the MSG decided to include through unilateral disclosure by Government Agencies of the total revenue stream from the companies.

List of companies that were included in the reconciliation scope for the EITI Report for FY2016-17 are presented as follows:

Company		Participated in FY2016-17	Participated in FY2015-16
1	Cornerstone Resources (Myanmar) Ltd.	Y	Y
2	Daewoo Precious Resources Co., Ltd	Did not participate	N - Not in scope
3	Eternal Mining Co., Ltd.	Y	Y
4	First Resources Co.,Ltd	Y	N - Not in scope
5	Good Brother's Machinery Co., Ltd	Y	N - Not in scope
6	Htoo International Industrial Group Co., Ltd.	Y	N - Not in scope

7	Kan Baw Za Industrial Co., Ltd,	Y	N - Not in scope
8	KayahIncountryMetalMining	Y	N - Not in scope
9	Manadabay Golden Friend Mining Co., Ltd.	Y	N - Not in scope
10	Mandalay Distribution and Mining Co., Ltd.	Y	N - Not in scope
11	Max Myanmar Co., Group.	Y	Y
12	MOGE	Y	N - Not in scope
13	Myanmar Economic Corporation	Y	Y
14	Myanmar Golden PointFamily	Y	Y
15	Myanmar Economic Holding Ltd.,	Y	N - Not in scope
16	Myanmar Wanbo Copper Mining Co., Ltd.	Y	N - Not in scope
17	Myanmar Yang Tse Copper Ltd.	Y	Y
18	Ngwe Kabar Myanmar Co., Ltd	Y	N - Not in scope
19	Ngwe Yi Pale Mining Co., Ltd	Y	Y
20	NO.(1) HEAVY INDUSTRY	Y	N - Not in scope
21	PYAE SONE AUNG CHAN	Y	N - Not in scope
22	Sai Long Hein Mining Co., Ltd.	Y	N - Not in scope
23	Shwe Taung Mining Co., Ltd.	Y	Y
24	Tha Byu Mining Co., Ltd	Y	Y
25	Than Taw Myat Co., Ltd	Y	Y
26	Thi Ha Thant Hein Mining Co., Ltd.	Y	N - Not in scope
27	Top Ten Star Production Co.,Ltd.	Y	N - Not in scope
28	Tun Thwin Mining Co., Ltd	Y	N - Not in scope
29	Win Myint Mo Industries Co.,Ltd.	Y	Y
30	Wuntho Resources Co., Ltd	Y	N - Not in scope
31	YCDC	Y	N - Not in scope

3.3.5. Pearl Sector

Due to the limited number of companies (11) in this sector, all entities will be included in the reconciliation scope without applying a materiality threshold as decided by the MSG. The list of companies that were included in the reconciliation scope for the EITI Report for FY2016-17 are presented as follows:

No	Company	Participated
1	Annawar Pearl Company Limited	Y
2	Aquagold Myanmar Co.,Ltd	Y
3	Belpearl Myanmar Co.,Ltd	Y
4	Myanmar Andman Co., Ltd	Y
5	Myanmar Atlantic Co., Ltd	Y
6	Myanmar Tasaki Co., Ltd	Y
7	Niino Pearl Culturing Co., Ltd	Y
8	Orient Pearl Co.,Ltd (Jalan)	Y
9	Orient Pearl Co.,Ltd (Zinyaw)	Y
10	Pyae Phyo Tun Co., Ltd	Y
11	Pyae Sone Htet Myint Co.,Ltd	Y

3.3.6. Downstream Sector

For the downstream sector, the MSG agreed to require unilateral reporting by MOGE for revenue received from the following Oil and Gas downstream companies: nine (9) gas power stations, two (2) refineries, one (1) petro-chemical plant and three (3) private extractive companies.

Activity	No	Company
Gas Power Stations	1	Ywar Ma Gas Turbine
	2	Ywar Ma Gas Turbine
	3	Tharketa Gas Turbine
	4	Alone Gas Turbine
	5	Hlawkar Gas Turbine
	6	Mawlamyaing Gas Turbine
	7	Kyauk Phyu Gas Turbine
	8	Kyaukse GEG
	9	Myingyan GEG
Refineries	1	Thanlyin
	2	Chauk
Petro-Chemical Plant	1	Thanbayarkan
Private Extractive Companies	1	Yangon Copper & Metal Wire Factory
	2	Ve Ve Soft Drink
	3	Max Myanmar Cement

3.3.7. Government Agencies and SOEs

The MSG determined that all Departments under the MoPF and MONREC and the SOEs under the MoEE and the MONREC that receive extractive-related revenues (tax and non-tax revenue) from companies are in-scope and included for reporting and reconciliation.

Based on these criteria, the MSG has identified the following Government Agencies and SOEs to be in-scope for the fourth MEITI reconciliation:

Ministry of Electricity and Energy (MoEE)	
1	Oil and Gas Planning Department (OGPD)
Ministry of Natural Resources and Environmental Conservation (MONREC)	
2	Department of Mines (DOM)
3	Department of Geological Survey & Mineral Exploration (DGSE)
4	Forest Department
Ministry of Planning and Finance (MoPF)	
5	Internal Revenue Department (IRD)
6	Myanmar Customs Department (MCD)
7	Budget and Treasury Departments
State Owned Enterprises (SOEs)	
8	Myanmar Oil and Gas Enterprise (MOGE)
9	No.1 Mining Enterprise (ME 1)
10	No.2 Mining Enterprise (ME 2)
11	Myanmar Gems Enterprise (MGE)
12	Myanmar Pearl Enterprise (MPE)

3.4. Reconciliation Results

This section sets out the detailed results of the reconciliation exercise. We have highlighted the amounts initially reported, the adjustments made following the reconciliation work, as well as the final differences noted between amounts paid by extractive companies and amounts received by Government Agencies.

The reconciliation schedules set out in this section show the following information:

- Initial amount – this refers to the amount reported in the templates by the participating companies / SOEs / government agencies
- Adjustment – this refers to the adjusted transaction amount supported with detailed schedules or supporting documents, or is duly agreed by the companies and government agencies
- Final difference – difference between adjusted amounts per company and adjusted amount per SOE/government agency that cannot be supported by either a detailed schedule or other documents

The following table presents the reconciliation of tax and non-tax payments (in cash) reported by extractive companies and receipts reported by Government Agencies, including the initial data from Reporting Templates prepared by the extractive companies and the Government Agencies, adjustments made during the reconciliation process, and the remaining final differences. Unless otherwise stated, the amounts are shown in MMK.

3.4.1. Oil and Gas Reconciliation

3.4.1.1. Oil and Gas – By Company

The following table presents the reconciliation of tax and non-tax payments (in cash) reported by extractive companies and receipts reported by Government Agencies, including the initial data from Reporting Templates prepared by the extractive companies and the Government Agencies, adjustments made during the reconciliation process, and the remaining final differences.

	Company	Company			Government			Final difference
		Initial	Adjustment	Final	Initial	Adjustment	Final	
1	Bashneft International B.V. (Myanmar Branch)	5,079,211,326	(900)	5,079,210,426	5,027,981,145	-	5,027,981,145	51,229,281
2	Berlanga Myanmar Pte Ltd., (Myanmar Branch)	260,791,853	(4,613,757)	256,178,096	-	-	-	256,178,096
3	BG Exploration & Production Myanmar Pte. Ltd. (Myanmar Branch)	150,632,331	-	150,632,331	-	-	-	150,632,331
4	Brunei National Petroleum Company Sdn Bhd (PB Myanmar)	702,200	-	702,200	-	-	-	702,200
5	CAOG PTE LTD (MYANMAR BRANCH)	257,969,809	-	257,969,809	-	-	-	257,969,809
6	CFG Energy Pte Ltd.,	310,308	-	310,308	-	-	-	310,308
7	Chinnery Assets Limited (Myanmar Branch)	116,436,001	-	116,436,001	-	-	-	116,436,001
8	ENI Myanmar B.V. (Myanmar Branch)	13,104,814,533	(31,869,978)	13,072,944,555	12,821,400,000	-	12,821,400,000	251,544,555
9	GoldPetrol Joint Operating Company Inc., (GJOC Inc.)	1,260,365,457	52,412,419	1,312,777,876	1,238,948,085	200,000	1,239,148,085	73,629,791
10	IsTech Energy EP-5 Pte Ltd., (Myanmar Branch)	3,549,392	(747,180)	2,802,212	948,550	-	948,550	1,853,662
11	MPRL E&P Pte Ltd. (Yangon Branch)	-	-	-	73,023,522	(73,023,522)	-	-
12	ONGC Videsh Ltd.,	6,767,445	-	6,767,445	-	-	-	6,767,445
13	Ophir Myanmar (Block AD-3) Limited (Myanmar Branch)	1,338,494,318	-	1,338,494,318	1,257,000,000	20,291	1,257,020,291	81,474,027
14	Pacific Hunt Energy Corporation (Myanmar Branch)	10,182,077,100	138,270	10,182,215,370	10,182,215,370	-	10,182,215,370	-
15	Parami Energy Development Company Ltd	566,150,000	(566,150,000)	-	-	-	-	-
16	Petronas Carigali Myanmar Inc (PCMI)	541,598,511	-	541,598,511	-	-	-	541,598,511
17	PC Myanmar (Hong Kong) Limited	280,756,978,508	(9,852,011,357)	270,904,967,151	265,410,518,870	(2)	265,410,518,868	5,494,448,282
18	Posco Daewoo Corporation (Myanmar E&P Office)	285,415,571,424	-	285,415,571,424	924,674,618,626	(642,249,229,636)	282,425,388,990	2,990,182,435
19	PTTEP International Ltd.	140,545,283,209	-	140,545,283,209	37,153,210,462	94,163,511,981	131,316,722,443	9,228,560,766
20	PTTEP SA	1,257,000,000	-	1,257,000,000	1,257,000,000	-	1,257,000,000	-
21	Shell Myanmar Energy Pte. Ltd. - Yangon Branch	956,998,608	-	956,998,608	-	-	-	956,998,608
22	SNOG Pte Ltd	7,956,812	-	7,956,812	-	-	-	7,956,812
23	Total E&P Myanmar	229,148,606,046	-	229,148,606,046	230,273,901,951	-	230,273,901,951	(1,125,295,905)

24	Unocal Myanmar Offshore Co., Ltd.	2,107,773,084	-	2,107,773,084	2,108,441,647	-	2,108,441,647	(668,563)
25	Woodside Energy (Myanmar) Pte Ltd	4,896,868,678	-	4,896,868,678	-	5,858,845	5,858,845	4,891,009,833
26	Gail JJ India Ltd	-	-	-	634,204,497	-	634,204,497	(634,204,497)
27	Korea Gas Corporation	-	-	-	501,850,848	-	501,850,848	(501,850,848)
28	Nippon Oil	-	-	-	3,651,054,911	-	3,651,054,911	(3,651,054,911)
29	SINOPEC	-	-	-	514,982,824	-	514,982,824	(514,982,824)
30	Asia Orient International Ltd. (CJs Oc Nobel Oil)	-	-	-	-	-	-	-
31	Geopetrol International Holding Inc.	-	-	-	-	-	-	-
32	JSC Nobel Oil	-	-	-	-	-	-	-
33	Jubilant Oil & Gas Pte. Ltd.	-	-	-	-	-	-	-
34	North Petro-Chem Corporation Myanmar Ltd. (NPCMM)	-	-	-	-	-	-	-
35	Oil India Limited	-	-	-	-	-	-	-
36	Petroleum Exploration (PVT) Ltd.	-	-	-	-	-	-	-
37	Petrovietnam Exploration Production Corporation	-	-	-	-	-	-	-
38	Reliance Industries Ltd.	-	-	-	-	-	-	-
39	Statoil Myanmar Pte. Ltd	-	-	-	-	-	-	-
40	Tap Energy (M-7) Co., Ltd. (Statoil)	-	-	-	-	-	-	-
41	TRG M15 Pte. Ltd.	-	-	-	-	-	-	-
	Total	977,962,906,953	(10,402,842,483)	967,560,064,470	1,496,781,301,306	(548,152,662,042)	948,628,639,264	18,931,425,206

3.4.1.2. Oil and Gas – By Revenue Stream

The following table presents the reconciliation of tax and non-tax payments (in-cash) by revenue streams, including the initial data from Reporting Templates prepared by the extractive companies and the Government Agencies, adjustments made during the reconciliation process, and the remaining final differences.

Description of payment		Per Company			Per Government			Final difference
		Initial	Adjust	Final	Initial	Adjust	Final	
Payments in cash								
	MoPF-Customs Department	6,231,223,347	(6,216,430,481)	14,792,865	132,026,670	(73,023,522)	59,003,149	(44,210,283)
1	Custom duty	63,000	-	63,000	57,236,810	(15,340,137)	41,896,673	(41,833,673)
2	Commercial Tax on Imported Capital equipment, goods and services	6,216,430,481	(6,216,430,481)	-	74,789,861	(57,683,385)	17,106,476	(17,106,476)
3	Commercial Tax on Imports on Inventories	14,729,865	-	14,729,865	-	-	-	14,729,865
	MoPF-Internal Revenue Department	34,811,986,935	-3,620,900,272	31,191,086,663	8,967,921,339	6,058,845	8,973,980,184	22,217,106,479
1	Corporate Income Tax	6,930,389,626	(3,583,668,457)	3,346,721,169	5,998,308,737	-	5,998,308,737	(2,651,587,568)
2	Commercial Tax	36,483,735	(36,483,735)	-	-	-	-	-
3	Capital Gains Tax	-	-	-	-	-	-	-
4	Withholding tax - Resident	1,263,102,113	-	1,263,102,113	2,212,873,263	-	2,212,873,263	(949,771,150)
5	Withholding tax - Non-Resident	26,469,407,142	-	26,469,407,142	755,790,789	-	755,790,789	25,713,616,353

6	Stamp Duties	112,604,320	(748,080)	111,856,240	948,550	6,058,845	7,007,395	104,848,845
7	Specific Goods Tax	-	-	-	-	-	-	-
MOGE		936,919,696,671	(565,511,730)	936,354,184,941	1,487,681,353,297	(548,085,697,366)	939,595,655,931	(3,241,470,990)
1	Royalties	279,110,898,618	-	279,110,898,618	378,264,091,937	(98,234,717,847)	280,029,374,090	(918,475,472)
2	Signature Bonus	31,113,639,469	-	30,548,127,739	30,545,596,515	20,291	30,545,616,806	2,510,933
3	Data Fee	-	-	-	-	-	-	-
4	State Participation	224,987,049,511	72,035,774,563	297,022,824,074	77,897,467,394	220,538,119,594	298,435,586,989	(1,412,762,915)
5	Production Split (Profit Sharing)	401,708,109,074	(72,035,774,563)	329,672,334,511	1,000,974,197,451	(670,389,119,404)	330,585,078,047	(912,743,536)
6	Production Bonus	-	-	-	-	-	-	-
7	Commerciality Bonus	-	-	-	-	-	-	-
Total payments in cash		977,962,906,953	(10,402,842,483)	967,560,064,470	1,496,781,301,306	(548,152,662,042)	948,628,639,264	18,931,425,206

3.4.1.3. Unreconciled Differences

The unreconciled differences amounted to MMK 18,931 million which represents 2.0% of the total sector which is the same as the final acceptable discrepancy threshold of 2% of the sector revenue reported by the Government Agencies/SOEs as set by MSG

Reasons for differences		Oil and Gas
A	Cut-off difference	-3,244
B	Payments not reported by and absence of supporting documents from the participating entity	-58
C	Receipts not reported by and absence of supporting documents from the government agencies	27,512
D	Non-participation by the companies	-5,302
E	Exchange rate difference	-
F	Unreconciled due to other reasons	-
G	Immaterial difference individually less than MMK 5 Million	23
	Total Differences	18,931

Amounts in MMK million

A. Cut off difference

Companies	Production Split (Profit Sharing)	Royalties	State Participation	Total
Total E&P Myanmar	(912,743,298)	(918,475,595)	(1,412,762,915)	(3,243,981,808)
Total	(912,743,298)	(918,475,595)	(1,412,762,915)	(3,243,981,808)

B. Payments not reported by and absence of supporting documents from the participating entity

Companies	Commercial Tax on Imported Capital equipment, goods and services	Custom Duty	Total
Posco Daewoo Corporation (Myanmar E&P Office)	(16,108,287)	(41,594,687)	(57,702,974)
Total	(16,108,287)	(41,594,687)	(57,702,974)

C. Receipts not reported by and absence of supporting documents from the government agencies

	Commercial Tax on Imports on Raw Materials and Inventories	Stamp Duties	Withholding tax - Non-Resident	Withholding tax - Resident	Grand Total
Bashneft International B.V. (Myanmar Branch)	-	6,229,234	44,216,220	-	50,445,454
Berlanga Myanmar Pte Ltd., (Myanmar Branch)	-	-	248,278,153	5,585,243	253,863,396
BG Exploration & Production Myanmar Pte. Ltd. (Myanmar Branch)	-	-	150,622,552	-	150,622,552
CAOG PTE LTD (MYANMAR BRANCH)	-	-	248,278,153	5,559,218	253,837,371
Chinnery Assets Limited (Myanmar Branch)	-	-	99,499,366	16,936,635	116,436,001
ENI Myanmar B.V. (Myanmar Branch)	-	15,923,676	-	235,620,879	251,544,555
GoldPetrol Joint Operating Company Inc., (GJOC Inc.)	-	-	39,957,516	33,672,275	73,629,791
Ophir Myanmar (Block AD-3) Limited (Myanmar Branch)	-	-	78,981,949	-	78,981,949
Petronas Carigali Myanmar Inc (PCMI)	14,729,865.39	-	521,503,582	5,365,064	541,598,511
PC Myanmar (Hong Kong) Limited	-	0	5,260,393,328	234,054,440	5,494,447,768
Posco Daewoo Corporation (Myanmar E&P Office)	-	30,275,687	3,017,609,722	-	3,047,885,409
PTTEP International Ltd.	-	-	9,150,598,280	77,963,114	9,228,561,395
Shell Myanmar Energy Pte. Ltd. - Yangon Branch	-	-	935,692,247	17,833,562	953,525,808
SNOG Pte Ltd	-	6,636,812	-	-	6,636,812
Total E&P Myanmar	-	32,798,926	1,842,396,628	243,490,349	2,118,685,903
Woodside Energy (Myanmar) Pte Ltd	-	-	4,829,973,740	61,036,093	4,891,009,833
Total	14,729,865	91,864,335	26,468,001,435	937,116,872	27,511,712,507

D. Non-participation by the companies

Companies	Corporate Income Tax	Withholding tax - Non-Resident	Withholding tax - Resident	Grand Total
Gail JJ India Ltd	-	(378,355,793)	(255,848,704)	(634,204,497)
Korea Gas Corporation	-	(377,434,996)	(124,415,851)	(501,850,848)
Nippon Oil	(2,652,219,180)	-	(998,835,731)	(3,651,054,911)
SINOPEC	-	-	(514,982,824)	(514,982,824)
Total	(2,652,219,180)	(755,790,789)	(1,894,083,110)	(5,302,093,079)

3.4.1.4. Oil and Gas – Cash Call Receipts

Oil and Gas cash call receipts relates to amounts received from MOGE after net receipts. The breakdown of cash call received for FY2016-17 are displayed in the below table:

No	Cash Call (Received from MOGE)	Per Company (in USD)			Per Government (in USD)			Final difference
		Initial	Adjustment	Final	Initial	Adjustment	Final	
	Gold Petrol	(7,675,417)	-	(7,675,417)	(7,675,417)	-	(7,675,417)	-
	PC Myanmar (Hong Kong) Limited	(37,607,220)	-	(37,607,220)	(38,010,000)	-	(38,010,000)	402,780
	Posco Daewoo Corporation (Myanmar E&P Office)	(16,789,257)	-	(16,789,257)	(16,970,939)	-	(16,970,939)	181,682
	PTTEP	(206,921,154)	143,777,154	(63,144,000)	(63,144,000)	-	(63,144,000)	-
	TOTAL	(38,010,000)	-	(38,010,000)	(38,010,000)	-	(38,010,000)	-
	Total payments in cash	(307,003,049)	143,777,154	(163,225,894)	(163,810,356)	-	(163,810,356)	584,462

The adjustment of USD 143,777,154 for PTTEP was due to the extractive company initially providing the “Cost Gas” amount which was the total cost of production for FY 2016-17 and not the cash call amount. The amount has been agreed for adjustment with PTTEP to reflect the appropriate Cash Call amount that the company received from MOGE.

Final difference

Posco Daewoo - The difference of USD 181,682 is due to differences in currency exchange rates for the months of April 2016 to October 2016. The Oil and Gas company issued cash calls in USD. However due to Myanmar sanctions in early 2016, MOGE was unable to transfer the Cash Call to PCML using USD. Therefore MOGE had to transfer the Euro equivalent of the USD amount on the cash call up to November 2016. Posco Daewoo exchanged the Euro received into USD and records the USD amount as their receipt.

PC Myanmar (Hong Kong) Limited - The difference of USD 402,780 is due to Petronas omitting to report Cash Calls received for the Pipeline Company "Taninthayi Pipeline", which Petronas has a majority share in.

3.4.1.5. Oil and Gas – In-kind

The following table presents the reconciliation of non-tax payments (in-kind) by companies, including the initial data from Reporting Templates prepared by the extractive companies and the Government Agencies, adjustments made during the reconciliation process, and the remaining final differences.

No	Company Name	Description of payment	Per Company			Per Government			Final difference
			Initial	Adjust	Final	Initial	Adjust	Final	
			In Barrels						
1	Gold Petrol	Royalties - 12.5% (In Kind)	49,835	-	49,835	49,835	-	49,835	-

Gold Petrol in-kind payments to MOGE is related to royalty payments in barrels for crude oil.

As set out in Section 2.2.2.1, the only in-kind revenue received by the MOGE in FY 2016-2017 is royalties on incremental petroleum recovery contract for onshore blocks. In-Kind payments reporting was only requested from and reconciled for the onshore companies, MPRL and GoldPetrol for FY2016-2017. MPRL did not report any in-kind payments.

3.4.1.6. Oil and Gas – Production Volume

The table below shows the differences between the production reported by Oil and Gas companies and MOGE disaggregated at project level.

Companies	Project	Blocks	Company			MOGE			Final difference		
			Crude Oil (Barrels)	Condensate (Barrels)	Gas (MMscf)	Oil (Barrels)	Condensate (Barrels)	Gas (MMscf)	Oil (Barrels)	Condensate (Barrels)	Gas (MMscf)
Onshore			1,384,409	-	712	1,384,409	-	712	-	-	-
Gold Petrol	Chauk	IOR-2	374,603	-	-	374,603	-	-	-	-	-
	Yenangyaung	MOGE-1	508,517	-	-	508,517	-	-	-	-	-
MPRL	Mann		501,289	-	712	501,289	-	712	-	-	-
Offshore			-	1,793,798	649,336	-	1,793,798	652,807	-	-	-
PCML	Yetagun	M-12/M-13/M-14	-	1,793,798	88,895	-	1,793,798	88,895	-	-	-
Posco Daewoo	Shwe	A-1/A-3	-	-	174,994	-	-	174,994	-	-	-
PTTEP	Zawtika	M-9	-	-	110,940	-	-	114,411	-	-	3,471
TOTAL	Yadana	M-5/M-6	-	-	274,507	-	-	274,507	-	-	-
Total			1,384,409	1,793,798	650,048	1,384,409	1,793,798	653,519	-	-	6,941

3.4.1.7. Oil and Gas – Exports

The table below shows the differences between the exports volume and value reported by Oil and Gas companies and MOGE.

	Project	Blocks	Per Company		Per MOGE		Final difference	
			Condensate (Barrels)	Value (USD)	Condensate (Barrels)	Value (USD)	Condensate (Barrels)	Value (USD)
Offshore			1,051,664	52,386,923	1,051,665	52,386,923	-	-
PCML	Yetagun	M-12/M-13/M-14	1,051,664	52,386,923	1,051,665	52,386,923	-	-

	Project	Blocks	Per Company			Per MOGE			Final Difference		
			Gas (MMscf)	Gas (MMbtu)	Value (USD)	Gas (MMscf)	Gas (MMbtu)	Value (USD)	Gas (MMscf)	Gas (MMbtu)	Value (USD)
Offshore			511,952	371,099,839	2,590,123,811	522,210	456,349,764	2,590,154,503	(10,258)	(85,249,925)	(30,692)
PCML	Yetagun	M-12/M-13/M-14	81,483	-	427,403,879	81,483	77,794,325	427,403,879	-	(77,794,325)	-
Posco Daewoo	Shwe	A-1/A-3	144,054	145,668,145	861,678,944	144,054	145,668,144	861,709,636	-	1	(30,692)
PTTEP	Zawtika	M-9	85,582	79,553,784	457,885,799	85,582	79,553,784	457,885,799	-	-	-
TOTAL	Yadana	M-5/M-6	200,834	145,877,910	843,155,189	211,092	153,333,511	843,155,189	(10,258)	(7,455,601)	-

Difference for PCML is due to export volume for Mmbtu unit as the company did not report any volume for MMBtu units. The unreconciled difference of USD (30,392) for Posco Daewoo's gas export value is due to the company not including the annual short fall value of 2016 and MOGE including the annual shortfall value 2016. The unreconciled difference for the Export volume for TOTAL was due to the make up gas amounts that the company did not include in the volume disclosure but this was included by MOGE.

3.4.1.8. Oil and Gas - Domestic Sales and Domestic Market Obligation (DMO)

The following tables show the reconciliation of the total Domestic Sale (including DMO) amounts reported by Oil and Gas Companies and MOGE. This amount includes the amounts sold by Oil and Gas companies as their Domestic Market Obligations. MOGE was unable to provide the amounts sold as Domestic Market Obligation separately and therefore DMO was unreconciled.

Domestic Sale and DMO (Onshore) - Crude oil

Companies	Project	Blocks	Domestic Sale (including DMO) per Company		Domestic Sale (including DMO) per MOGE		Final Difference	
			Crude Oil (Barrel)	Value (USD)	Crude Oil (Barrel)	Value (USD)	Crude Oil (Barrel)	Value (USD)
Onshore								
Gold Petrol	Chauk	IOR-2	7,198	334,261	7,198	334,261	-	-
	Yenangyaung	MOGE-1	4,015	186,123	4,015	186,123	-	-
		Total	11,213	520,384	11,213	520,384	-	-

Domestic Market Obligation (DMO) reported by Companies are set out as below:

Domestic Market Obligation (DMO) Reported by Companies are set out as below:				
Companies	Project	Blocks	Domestic Market Obligation (DMO) per Company	
			Crude Oil (Barrel)	Value (USD)
Onshore				
Gold Petrol	Chauk	IOR-2	1,799	83,565
	Yenangyaung	MOGE-1	1,004	46,531
		Total	2,803	130,096

Domestic Sale and DMO (Offshore) – Condensate

Companies	Project	Blocks	Domestic Sale (including DMO)		Domestic Sale (including DMO) per MOGE		Final Difference	
			Condensate (Barrel)	Value USD	Condensate (Barrel)	Value USD	Crude Oil (Barrel)	Value (USD)
Offshore								
PCML	Yetagun	M-12/M-13/M-14	733,233	30,479,229	733,232	30,479,229	-	-
		Total	733,233	30,479,229	733,232	30,479,229	-	

Domestic Market Obligation (DMO) reported by Companies are set out as below

Domestic Market Obligation (DMO) Reported by Companies are set out as below				
Companies	Project	Blocks	Domestic Market Obligation (DMO) per Company	
			Condensate (Barrel)	Value USD
Offshore				
PCML	Yetagun	M-12/M-13/M-14	18,638	875,304
		Total	18,638	875,304

Domestic Sale and DMO (Offshore) – Gas

Companies	Project	Blocks	Domestic Sale (including DMO)			Domestic Sale (including DMO) per MOGE			Final Difference		
			Gas (MMSCF)	Gas (MMbtu)	Value (USD)	Gas (MMSCF)	Gas (MMbtu)	Value (USD)	Gas (MMSCF)	Gas (MMbtu)	Value (USD)
Offshore											
Posco Daewoo	Shwe	A-1/A-3	27,915	28,228,498	166,873,676	27,915	28,228,498	166,873,676	-	-	-
PTTEP	Zawtika	M-9	25,359	23,574,909	116,450,785	25,359	23,574,909	116,450,785	-	-	-
TOTAL	Yadana	M-5/M-6	60,265	43,006,000	152,094,406	60,265	43,006,000	152,094,406	-	-	-
		Total	113,539	94,809,407	435,418,867	113,539	94,809,407	435,418,867	-	-	

Domestic Market Obligation (DMO) reported by Companies are set out as below

Domestic Market Obligation (DMO) reported by Companies are set out as below					
Companies	Project	Blocks	Domestic Market Obligation (DMO) per Company		
			Gas (MMSCF)	Gas (MMbtu)	Value (USD)
Offshore					
Posco Daewoo	Shwe	A-1/A-3	1,035	1,046,602	5,656,704
PTTEP	Zawtika	M-9	-	-	-
TOTAL	Yadana	M-5/M-6	-	-	-
		Total	1,035	1,046,602	5,656,704

3.4.1.9. Oil and Gas - Project Level Reporting

Project level reporting obtained from MOGE and reconciled in Section 3.4.1.6.

3.4.2. Oil and Gas Transportation Reconciliation

The following table presents the reconciliation of tax and non-tax payments (in cash) reported by extractive companies and receipts reported by Government Agencies, including the initial data from Reporting Templates prepared by the extractive companies and the Government Agencies, adjustments made during the reconciliation process, and the remaining final differences.

3.4.2.1. Oil and Gas Transportation – By Company

	Company	Initial	Company Adjustment	Final	Initial	Government Adjustment	Final	Final difference
1	Andaman Transportation Limited (Yangon Branch)	52,559,766,671	(48,520,200,000)	4,039,566,671	691,350,000	251,400,000	942,750,000	3,096,816,671
2	Moattama Gas Transportation Company (Yangon Branch)	146,958,436,558	1,914,556,930	148,872,993,488	148,758,219,340	-	148,758,219,340	114,774,148
3	South-East Asia Gas Pipeline Co., Ltd (Great Ocean Branch)	23,413,696,359	23,148,051,232	46,561,747,590	71,412,287,065	(39,584,650,531)	31,827,636,533	14,734,111,057
4	Taninthayi Pipeline Company LLC	100,534,624,319	-	100,534,624,319	100,119,211,436	-	100,119,211,436	415,412,883
	Total payments	323,466,523,906	(23,457,591,838)	300,008,932,068	320,981,067,841	(39,333,250,531)	281,647,817,309	18,361,114,759

The initial adjustments are made due to the below reasons:

- **Andaman:** The adjustment amount of MMK (48,520,200,000) for Andaman is due to the company incorrectly reporting shareholder's loan repayments as Profit Sharing payments. For MOGE, the adjustment amount of MMK 251,400,000 is due to MOGE omitting to input the correct Right of Way payment from Andaman. The company and the Government Agency provided supporting documents and agreed to the adjustments.
- **Moattama:** The adjustment amount of MMK 1,914,556,930 is due to the company reporting incorrect Corporate Income Tax amount. The corporate income tax amount was adjusted based on the supporting documents provided.
- **SEAGP:** The adjustment amount of MMK 23,148,051,232 by SEAGP was due to the company initially omitting to report the Profit Sharing payment. The adjustment amount of MMK (39,584,650,531) by MOGE is due to MOGE initially reporting the incorrect receipt amount.

3.4.2.2. Oil and Gas Transportation – By Revenue Stream

The following table presents the reconciliation of tax and non-tax payments (in-cash) by revenue streams, including the initial data from Reporting Templates prepared by the extractive companies and the Government Agencies, adjustments made during the reconciliation process, and the remaining final differences.

No	Description of payment	Initial	Per Company Adjust	Final	Initial	Per Government Adjust	Final	Final difference
Payments in cash								
	MoPF-Internal Revenue Department	168,521,076,210	1,914,556,930	170,435,633,141	152,074,662,629	-	152,074,662,629	18,360,970,512
1	Corporate Income Tax	150,557,961,654	1,914,556,930	152,472,518,584	140,629,842,771	11,444,819,858	152,074,662,629	397,855,955
2	Commercial Tax	-	-	-	-	-	-	-
3	Capital Gains Tax	-	-	-	-	-	-	-
4	Withholding tax - Resident	375,415,131	-	375,415,131	11,444,819,858	(11,444,819,858)	-	375,415,131
5	Withholding tax - Non-Resident	17,558,870,580	-	17,558,870,580	-	-	-	17,558,870,580
6	Stamp Duties	28,828,845	-	28,828,845	-	-	-	28,828,845
7	Specific Goods Tax	-	-	-	-	-	-	-
	MoPF-Customs Department							
1	Custom Duties	-	-	-	-	-	-	-

2	Commercial Tax on Imported Capital equipment, goods and services	-	-	-	-	-	-	-
3	Commercial Tax on Imports on Inventories	-	-	-	-	-	-	-
MOGE		154,945,447,696	(25,372,148,768)	129,573,298,927	168,906,405,212	(39,333,250,531)	129,573,154,680	144,247
1	Profit Sharing	143,374,762,696	(25,372,148,768)	118,002,613,927	157,587,139,067	(39,584,650,531)	118,002,488,535	125,392
2	Pipeline Tariff Fee	-	-	-	-	-	-	-
3	Right of Way	11,570,685,000	-	11,570,685,000	11,319,266,145	251,400,000	11,570,666,145	18,855
Total payments in cash		323,466,523,906	(23,457,591,838)	300,008,932,068	320,981,067,841	(39,333,250,531)	281,647,817,309	18,361,114,759

3.4.2.3. Unreconciled Differences

The unreconciled differences amounted to MMK 18,361 million which represents 6.3% of the sector which is above the final acceptable discrepancy threshold of 2% of the sector revenue reported by the Government Agencies/SOEs as set by MSG.

Reasons for differences		Oil and Gas Transportation
A	Cut-off difference	-
B	Payments not reported by and absence of supporting documents from the participating entity	-
C	Receipts not reported by and absence of supporting documents from the government agencies	17,963
D	Non-participation by the companies	-
E	Exchange rate difference	398
F	Unreconciled due to other reasons	-
G	Immaterial difference individually less than MMK 5 Million	-
Total Differences		18,361

Amounts in MMK million

C. Receipts not reported by and absence of supporting documents from the government agencies

Company	Stamp Duties	Withholding tax - Non-Resident	Withholding tax - Resident	Grand Total
Andaman Transportation Limited (Yangon Branch)	3,013,054,942	83,761,729	-	3,096,816,671
Moattama Gas Transportation Company (Yangon Branch)	-	20,822,004	93,100,560	113,922,564
South-East Asia Gas Pipeline Co., Ltd (Great Ocean Branch)	28,828,845	14,507,562,401	196,187,746	14,732,578,992
Taninthayi Pipeline Company LLC	-	17,431,234	-	17,431,234
Total	3,041,883,787	14,629,577,368	289,288,305	17,960,749,460

E. Exchange Rate difference

Company	Corporate Income Tax
Taninthayi Pipeline Company LLC	397,855,955

3.4.3. Gems and Jade Reconciliation

The following table presents the reconciliation of tax and non-tax payments (in cash) reported by extractive companies and receipts reported by Government Agencies, including the initial data from Reporting Templates prepared by the extractive companies and the Government Agencies, adjustments made during the reconciliation process, and the remaining final differences.

3.4.3.1. Gems and Jade – By Company

The following table presents the reconciliation of tax and non-tax payments (in cash) reported by extractive companies and receipts reported by Government Agencies, including the initial data from Reporting Templates prepared by the extractive companies and the Government Agencies, adjustments made during the reconciliation process, and the remaining final differences.

No	Company	Per Company MMK			Per Government MMK			Final difference
		Initial	Adjustment	Final	Initial	Adjustment	Final	
1	(1.1.1) Gems & Jewellery Co.,Ltd	2,100,691,563	(39,689,825)	2,061,001,738	3,066,353,886	(1,005,352,137)	2,061,001,748	(10)
2	Agga Yadanar Min Yarzar Jade Gems & Jewellery Co., Ltd.	1,023,049,710	22,480,707	1,045,530,417	1,045,530,417	-	1,045,530,417	-
3	Aung Aung Naing Naing Gems Co.,Ltd	878,906,934	(27,092,266)	851,814,668	1,880,012,730	(1,028,198,062)	851,814,668	-
4	Aung Myin Thu (AMT) Company	653,345,918	-	653,345,918	654,275,278	-	654,275,278	(929,360)
5	Ayar Jade Company	7,093,868,469	386,079,073	7,479,947,542	10,434,651,948	(2,948,670,138)	7,485,981,810	(6,034,268)
6	Ayeyar Yadanar Gems & Jewellery Co., Ltd.	996,666,809	1,227,406,127	2,224,072,937	3,936,309,728	(1,703,192,229)	2,233,117,498	(9,044,562)
7	Ba Wa Tet Lan	835,472,404	-	835,472,404	1,162,050,086	(321,665,427)	840,384,659	(4,912,255)
8	CANCRI (GEMS & JEWELLERY) CO., LTD (Phu Sha Star)	-	-	-	-	-	-	-
9	Chang Long Gems & Jewellery Co.,Ltd.	1,961,087,732	(899,595,185)	1,061,492,547	1,947,485,833	(885,993,287)	1,061,492,547	-
10	Chaow Brothers (GCB) (Venture)	364,420,809	399,407,562	763,828,371	1,066,329,178	(302,504,451)	763,824,726	3,645
11	Crystal Red Gems Co.,Ltd	614,949,062	13,516,970	628,466,032	1,125,596,471	(497,130,456)	628,466,015	17
12	Emerald Garden Co., Ltd.	4,042,572,157	-	4,042,572,157	4,057,850,957	(15,278,800)	4,042,572,157	-
13	Ever Winner Gems Company [EW]	833,206,091	22,669,988	855,876,079	810,157,425	47,717,631	857,875,056	(1,998,977)
14	Farmer Phyoyarzar Gems Co., Ltd	1,096,999,253	(238,806,743)	858,192,509	5,938,879,355	(5,080,311,181)	858,568,173	(375,664)

No	Company	Per Company MMK			Per Government MMK			Final difference
		Initial	Adjustment	Final	Initial	Adjustment	Final	
15	Golden Grate Wall Gems Co.,Ltd	723,953,095	326,330	724,279,425	1,232,328,903	(508,049,478)	724,279,425	-
16	Great Genesis Gems (GMH) Company	13,348,267,612	(4,505,537,384)	8,842,730,228	9,712,781,005	(863,768,891)	8,849,012,114	(6,281,886)
17	Great Nine	25,221,830	(11,745,203)	13,476,627	22,961,126	(9,496,904)	13,464,222	12,405
18	GREEN MOUNTAIN COMPANY LIMITED	2,800,303,809	49,033,449	2,849,337,259	4,026,760,399	(1,177,163,041)	2,849,597,358	(260,099)
19	Hawk Kyi Jewellery Company	1,030,393,257	99,753,422	1,130,146,679	1,754,106,847	(623,459,299)	1,130,647,548	(500,870)
20	Jade Ayer International Co., Ltd	1,645,515,808	-	1,645,515,808	1,645,515,808	-	1,645,515,808	-
21	Jade Mountain Gems Company	2,933,257,828	(61,839,713)	2,871,418,114	4,059,496,920	(1,188,079,409)	2,871,417,511	604
22	Jade New Gems & Jewellery Co., Ltd.	-	-	-	9,752,900	(9,752,900)	-	-
23	Jade Padathar Company	694,906,481	197,464,341	892,370,822	1,149,987,204	(257,616,821)	892,370,383	439
24	Jade Palace (Kyauk Seinn Nandaw Gems & Jewellery Co., Ltd.)	144,848,264	14,535,413	159,383,677	159,383,677	-	159,383,677	-
25	Jade Pioneer Company Limited (Jade Shaesaung)	334,143,042	(293,220,136)	40,922,906	40,923,830	-	40,923,830	(924)
26	JADE TREASURE COMPANY LIMITED	657,191,400	3,115,557	660,306,957	1,184,429,128	(524,122,163)	660,306,965	(9)
27	Kachin Nationals Development@ Progress Gems Co.,Ltd	2,449,728,281	(1,251,015,660)	1,198,712,620	1,813,297,045	(533,174,693)	1,280,122,352	(81,409,732)
28	Kaung Myat Thukha Co., Ltd	1,307,854,016	(52,040,843)	1,255,813,173	1,727,258,178	(473,562,435)	1,253,695,744	2,117,429
29	Kaung Su Aung Jade & Gmes Co., Ltd.	298,741,212	318,390,983	617,132,195	857,774,526	(240,642,331)	617,132,195	-
30	Kaung Su Wai Hlyan Gems Co.,Ltd	223,023,180	(9,752,847)	213,270,333	342,103,878	(128,833,462)	213,270,415	(83)
31	Kaung Swan Htet Company	2,061,264,136	233,569,561	2,294,833,697	3,290,284,719	(608,712,636)	2,681,572,082	(386,738,386)
32	Khin Zaw Aung & Brothers Gems and Jewellery Company Limited	35,754,024,675	(10,269,158,063)	25,484,866,611	25,484,825,260	-	25,484,825,260	41,351

No	Company	Per Company MMK			Per Government MMK			Final difference
		Initial	Adjustment	Final	Initial	Adjustment	Final	
33	Khine Lon Company (KL)	1,655,815,050	(632,720,804)	1,023,094,246	1,445,264,831	(421,374,962)	1,023,889,869	(795,623)
34	KHUN PA-OH GEMS & JEWELLERY CO LTD.	6,912,885,324	(3,251,566,386)	3,661,318,938	5,102,247,192	(1,440,928,254)	3,661,318,938	-
35	Kyaing International (GKI) Company	4,919,753,000	(96,753,984)	4,822,999,016	6,809,838,560	(1,986,839,544)	4,822,999,016	-
36	Kyauk Seinn Sun Shwin Jade, Gems & Jewellery Co., Ltd.	1,463,559,533	-	1,463,559,533	1,463,559,533	-	1,463,559,533	-
37	Kyauk Seinn Wingabar Jade, Gems & Jewellery Company	665,111,455	32,595,074	697,706,529	1,177,183,556	(479,477,027)	697,706,529	-
38	Kyaw Naing & Brothers Gems	46,637,021	10,813,468	57,450,489	62,044,908	(4,594,418)	57,450,489	-
39	Linn Lett Win Yadanar Gems	14,384,356,336	11,277,471,759	25,661,828,095	26,842,437,492	(1,180,609,391)	25,661,828,100	(5)
40	Long Byit Jewellery Co., Ltd	515,182,302	83,239,148	598,421,450	1,087,849,891	(489,428,441)	598,421,450	-
41	Lyan Shan Company	4,478,672,850	(1,315,404,085)	3,163,268,765	4,547,114,354	(1,390,564,638)	3,156,549,716	6,719,049
42	MYA YAUNG TUN GEMS & JEWELLERY Company	76,466,376	(4,618,323)	71,848,053	132,066,501	(60,218,448)	71,848,053	-
43	Myanma Seinn Lei Aung (MSLA-S) Company	1,046,966,087	1,278,627,770	2,325,593,858	3,316,774,541	(991,180,711)	2,325,593,830	28
44	Myanmar Ruby interprise	234,199,503	91,612,757	325,812,260	509,757,431	(183,945,171)	325,812,260	-
45	Myanmar Economic Cooperation	928,909,443	-	928,909,443	10,711,818,042	3,318,050	10,715,136,092	(9,786,226,649)
46	Myanmar First Gems & Jewellery Company Limited	2,538,837,700	574,334,825	3,113,172,524	3,173,400,724	(60,227,235)	3,113,173,489	(964)
47	Myanmar Imperial Jade (Gems & Jewellery) Co., Ltd.	5,945,453,861	(222,363,950)	5,723,089,911	9,344,647,511	(3,497,504,813)	5,847,142,698	(124,052,787)
48	MYANMAR SI-THU JEWELLERY CO, LTD	751,638,405	(8,181,690)	743,456,715	1,071,238,184	(327,781,010)	743,457,174	(459)

No	Company	Per Company MMK			Per Government MMK			Final difference
		Initial	Adjustment	Final	Initial	Adjustment	Final	
49	Myanmar Thura Company [MTY]	2,012,465,352	(179,701,115)	1,832,764,237	3,710,561,784	(1,877,268,824)	1,833,292,960	(528,723)
50	Myat Myitta Mon GEMS	-	-	-	2,432,266,182	(2,432,266,182)	-	-
51	Myat Yamon Gems Company Limited	4,126,319,963	(118,101,592)	4,008,218,370	4,011,326,268	(3,107,856)	4,008,218,412	(42)
52	Myo Nwe Gems & Jewellery Company Limited	3,522,338,608	(23,617,358)	3,498,721,250	3,539,947,432	(41,226,830)	3,498,720,602	648
53	Nan Htike Pyae Paing Gems & Jewellery Company Limited	1,632,581,913	(485,297,796)	1,147,284,117	872,430,784	274,510,891	1,146,941,676	342,442
54	Nay La Pwint Company	679,034,108	28,978,927	708,013,035	983,146,372	(275,294,426)	707,851,946	161,089
55	New Jade International Company (NJ)	2,009,839,719	2,341,794,363	4,351,634,082	6,163,635,997	(1,812,001,943)	4,351,634,054	28
56	Nilar Yoma Gems Co.,Ltd	208,347,537	26,300,000	234,647,537	2,223,354,661	(1,988,707,123)	234,647,538	(1)
57	Oo Ya Gems & Jewellery Co.,Ltd	4,661,857,439	(2,146,503,541)	2,515,353,898	3,591,302,845	(1,075,949,442)	2,515,353,403	496
58	Pang Huke Duwa Company{PHD}	1,970,506,006	(804,181,319)	1,166,324,687	2,781,823,351	(1,615,560,329)	1,166,263,022	61,665
59	Pho Thar Htoo Gems Company [PTH]	1,388,870,507	1,061,368,384	2,450,238,891	3,457,045,614	(1,006,806,690)	2,450,238,924	(32)
60	Phyo Pyae Sone	549,124,108	-	549,124,108	1,010,052,460	(447,381,293)	562,671,166	(13,547,059)
61	Phyo Thiha Kyaw Gems Co.,Ltd	1,137,817,513	(3,022,730)	1,134,794,784	1,525,789,825	(390,995,152)	1,134,794,673	110
62	Ruby Dragon Jade & Gems Co.,Ltd.	602,835,410	(8,779,815)	594,055,594	851,681,245	(257,180,448)	594,500,797	(445,203)
63	Sein Lom Taung Tan Gems Company Limited	6,500,673,834	(111,998,404)	6,388,675,430	6,508,210,736	(111,998,404)	6,396,212,332	(7,536,903)
64	Sein Thura San Company (GST)	966,396,051	150,790,613	1,117,186,664	1,596,515,530	(479,328,742)	1,117,186,787	(123)
65	Shining Star Light Gems& Jewellery Co.,Ltd (Tauk Pa Thaw)	1,572,803,391	217,387,694	1,790,191,085	1,639,250,047	153,462,302	1,792,712,349	(2,521,265)

No	Company	Per Company MMK			Per Government MMK			Final difference
		Initial	Adjustment	Final	Initial	Adjustment	Final	
66	Shwe Byain Phyu (Gems) Company	20,208,943,232	242,851,830	20,451,795,063	38,525,121,115	(18,073,326,077)	20,451,795,038	25
67	Shwe Gaung Gaung (SGG-S) Company	541,001,837	539,887,651	1,080,889,488	1,188,462,628	(105,880,276)	1,082,582,352	(1,692,864)
68	Shwe Oak Khai Mining Company Limited	1,348,735,546	188,064,470	1,536,800,015	2,952,686,183	(1,415,885,314)	1,536,800,869	(854)
69	Shwe Pyi Thar Gems Trading and Faceting Co-op.,Ltd	3,912,256,004	(3,005,273,448)	906,982,556	906,981,942	-	906,981,942	614
70	SILVER ELEPHANT GEMS COMPANY LIMITED (Ngwe sin)	13,107,139,673	(4,507,470,561)	8,599,669,111	8,662,663,535	(62,994,424)	8,599,669,111	-
71	Super Natural Gems & Jewellery Co., Ltd. (Natural Best)	1,409,184,864	16,831,594	1,426,016,458	1,426,016,458	-	1,426,016,458	-
72	Super Same (SPS) Company	1,087,047,529	(503,153,791)	583,893,737	1,079,807,715	(495,913,978)	583,893,737	-
73	THI RAW MANI GEMS & JEWELLERY COMPANY LIMITED	3,258,527,740	(169,712,600)	3,088,815,140	5,292,143,663	(2,200,505,058)	3,091,638,606	(2,823,466)
74	Treasure Star Company Limited (Yadanar Kyal)	1,253,417,578	(536,313,614)	717,103,964	1,264,631,856	(547,527,892)	717,103,964	-
75	Tun Naing Aung Gems	2,451,441,806	16,207,668	2,467,649,473	2,526,226,686	(58,577,212)	2,467,649,473	-
76	UNITY GEMS CO.LTD.	2,397,022,258	29,944,150	2,426,966,407	3,633,222,738	(1,206,256,330)	2,426,966,407	-
77	VALUE STANDARD GEMS & JEWELLERY CO., LTD	2,202,626,548	(306,111,159)	1,896,515,389	2,351,269,768	(454,756,058)	1,896,513,709	1,680
78	WAI AUNG GABAR GEMS COMPANY LIMITED	23,990,351,633	(5,344,211,092)	18,646,140,541	19,277,536,536	(628,885,161)	18,648,651,376	(2,510,835)
79	Wai Family Gems Company Limited	5,073,151,477	(2,546,506)	5,070,604,970	8,455,783,134	(3,385,178,396)	5,070,604,738	232
80	YADANAR SIN THIRI GEMS COMPANY LIMITED	1,782,761,499	(784,145,103)	998,616,396	1,731,723,153	(721,440,240)	1,010,282,913	(11,666,517)

No	Company	Per Company MMK			Per Government MMK			Final difference
		Initial	Adjustment	Final	Initial	Adjustment	Final	
81	Yadanar Taung Tann Gems Co.,Ltd.	21,176,108,482	(592,411,515)	20,583,696,967	21,032,613,607	(448,916,648)	20,583,696,959	8
82	Yadanar Three Elephant Company	10,692,065,249	18,051,535	10,710,116,784	15,206,242,180	(4,497,618,629)	10,708,623,551	1,493,233
83	Yar Za Htar Ni Gems Co., Ltd	7,916,437,156	(338,050,169)	7,578,386,987	9,853,402,849	(2,328,946,364)	7,524,456,485	53,930,501
84	Zebu Thiri Gems Co.,Ltd	584,487,128	-	584,487,128	519,981,384	64,505,744	584,487,128	-
Total		293,426,837,778	(21,946,803,160)	271,480,034,618	365,221,556,157	(83,353,571,823)	281,867,984,334	(10,387,949,717)

3.4.3.2. Gems and Jade – By Revenue Stream

The following table presents the reconciliation of tax and non-tax payments (in-cash) by revenue streams, including the initial data from Reporting Templates prepared by the extractive companies and the Government Agencies, adjustments made during the reconciliation process, and the remaining final differences.

No	Description of payment	Per Company			Per Government			Final difference
		Initial	Adjustment	Final	Initial	Adjustment	Final	
MoPF-IRD		100,116,059,291	(6,776,218,191)	93,339,841,100	108,547,542,948	(5,454,804,786)	103,092,738,162	(9,752,897,061)
1	Corporate Income Tax	8,009,895,916	(2,183,624,057)	5,826,271,860	8,436,099,441	408,043,736	8,844,143,177	(3,017,871,317)
2	Commercial Tax	6,578,683,378	(3,658,185,390)	2,920,497,988	12,644,220,324	(3,684,055,678)	8,960,164,646	(6,039,666,658)
3	Capital Gains Tax	17,172,108	-	17,172,108	-	17,172,108	17,172,108	-
4	Withholding tax - Resident	-	35,299,000	35,299,000	735,342,882	(2,476,960)	732,865,922	(697,566,922)
5	Withholding tax - Non-Resident	-	2,117,547	2,117,547	-	-	-	2,117,547
6	Stamp Duties	300,000	0	300,000	-	300,000	300,000	-
7	Specific Goods Tax	85,510,007,889	(971,825,292)	84,538,182,597	86,731,880,301	(2,193,787,992)	84,538,092,309	90,288
Customs Department		1,292,279,701	1,164,409,216	2,456,688,917	27,425,030,956	(24,563,854,493)	2,861,176,463	(404,487,546)
9	Custom duty	428,840,376	238,891,458	667,731,834	5,113,553,198	(4,262,382,390)	851,170,808	(183,438,974)
10	Commercial Tax on Imported Capital Equipment	693,468,457	1,093,238,134	1,786,706,591	22,309,227,266	(20,301,472,102)	2,007,755,164	(221,048,572)
11	Commercial Tax on Imports on Raw Materials and Inventories	169,970,868	(167,720,376)	2,250,492	2,250,492	-	2,250,492	-
DOM		10,573,612,606	2,884,463,609	13,458,076,215	12,756,173,660	694,153,110	13,450,326,770	7,749,445
12	Royalties on Production - Raw Materials 20%, Added Value 10%	10,573,612,606	2,884,463,609	13,458,076,215	12,756,173,660	694,153,110	13,450,326,770	7,749,445
Forest								
13	Land Fee	-	-	-	-	-	-	-

No	Description of payment	Per Company			Per Government			Final difference
		Initial	Adjustment	Final	Initial	Adjustment	Final	
14	Environmental/Plantation Fee	-	-	-	-	-	-	-
MGE		181,444,886,179	(19,219,457,794)	162,225,428,385	216,492,808,593	-54,029,065,655	162,463,742,940	(238,314,554)
15	Commercial Tax - 5% (MMK)	2,646,864,646	(1,493,272,474)	1,153,592,172	3,000,257,508	(1,714,046,525)	1,286,210,983	(132,618,810)
16	Commercial Tax - 15% (MMK)	504,764	76,084,771	76,589,535	110,899,629	-	110,899,629	(34,310,094)
17	Specific Goods Tax - Rough Stones 20%, Jewellery 5%	72,183,051,959	(26,623,348,877)	45,559,703,082	97,555,810,227	(52,014,128,994)	45,541,681,234	18,021,848
18	Production Split - 25% of sales net of Tax	83,033,613,334	9,488,369,405	92,521,982,739	92,535,655,709	(7,314,759)	92,528,340,951	(6,358,211)
19	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	21,107,136,332	(1,165,898,100)	19,941,238,232	20,432,144,372	(293,635,743)	20,138,508,628	(197,270,396)
20	Supervision Fees for Euro Sales	2,224,681,492	745,161,607	2,969,843,099	2,851,131,007	(94,418)	2,851,036,589	118,806,510
21	Central Committee 1% on sales	33,652	2,445,874	2,479,526	6,910,141	154,784	7,064,926	(4,585,400)
22	Permit/License Fee	249,000,000	(249,000,000)	-	-	-	-	-
	Total	293,426,837,778	(21,946,803,160)	271,480,034,618	365,221,556,157	(83,353,571,823)	281,867,984,334	(10,387,949,717)

3.4.3.3. Unreconciled Difference

The unreconciled differences amounted to MMK (10,338) million which represents (3.7%) of the sector which is above the final acceptable discrepancy threshold of 2% of the sector revenue reported by the Government Agencies/SOEs as set by MSG.

Reasons for differences		Gems and Jade
A	Cut-off difference	(14)
B	Payments not reported by and absence of supporting documents from the participating entity	(10,284)
C	Receipts not reported by and absence of supporting documents from the government agencies	61
D	Non-participation by the companies	-
E	Exchange rate difference	-
F	Unreconciled due to other reasons	(124)
G	Immaterial difference individually less than MMK 5 Million	(26)
Total Differences		(10,388)

Amounts in MMK million

A. Cut-off difference

Company	Commercial Tax - 15% (MMK)
Ayar Jade Company	(5,657,113)
Ayeyar Yadanar Gems & Jewellery Co., Ltd.	(8,479,254)
Total	(14,136,367)

B. Payments not reported by and absence of supporting documents from the participating entity

Company	Commercial Tax	Commercial Tax - 5% (MMK)	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom duty	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax - Rough Stones 20%, Jewellery 5%	Supervision Fees for Euro Sales	Withholding tax - Resident	Grand Total
Kachin Nationals Development@ Progress Gems Co.,Ltd	-	-	-	-	-	(63,725,539)	-	(22,099,508)	-	(85,825,046)
Kaung Swan Htet Company	-	-	(218,504,124)	-	(168,235,144)	-	-	-	-	(386,739,267)
Myanmar Economic Cooperation	(6,043,492,381)	(7,545,556)	(38,532,440)	(3,000,000,000)	(22,446,080)	(137,501,541)	19,802,374	141,065,897	(697,566,922)	(9,786,216,649)
Phyo Pyae Sone	-	-	-	(17,871,329)	-	-	-	-	-	(17,871,329)
YADANAR SIN THIRI GEMS COMPANY LIMITED	-	-	(7,759,751)	-	-	-	-	-	-	(7,759,751)
Total	(6,043,492,381)	(7,545,556)	(264,796,315)	(3,017,871,329)	(190,681,224)	(201,227,080)	19,802,374	118,966,389	(697,566,922)	(10,284,412,043)

C. Receipts not reported by and absence of supporting documents from the government agencies

Companies	Commercial Tax on Imported Capital Equipment	Custom duty	Royalties on Production - Raw Materials 20%, Added Value 10%	Grand Total
Lyan Shan Company	-	-	6,720,000	6,720,000
Yar Za Htar Ni Gems Co., Ltd	43,418,718	11,132,083	-	54,550,801
Total	43,418,718	11,132,083	6,720,000	61,270,801

F. Unreconciled due to other reasons

Companies	Commercial Tax - 5% (MMK)	Grand Total
Myanmar Imperial Jade (Gems & Jewellery) Co., Ltd.	(124,052,331.08)	(124,052,331.08)
Total	(124,052,331.08)	(124,052,331.08)

The above difference is due to Commercial Tax 5% paid by Myanmar Imperial Jade's customers and reported by IRD for Myanmar Imperial Jade (Gems and Jewellery) Co., Ltd.

3.4.3.4. Gems and Jade – In-kind

The following table presents the reconciliation of non-tax payments (in-kind) by companies, including the initial data from Reporting Templates prepared by the extractive companies and the Government Agencies, adjustments made during the reconciliation process, and the remaining final differences.

No	Description of payment	Per Company			Per Government			Final difference
		Initial	Adjust	Final	Initial	Adjust	Final	
Jade								
1	Production Split In Kind	97,032.00	(97,032.00)	-	-	-	-	-
Gems								
1	Production Split In Kind	-	-	-	-	-	-	-

3.4.3.5. Gems and Jade – Production

The table below shows the differences between the production reported by Gems and Jade companies and MGE.

Companies		Type	Per Company						Per MGE						Final difference Production Volume	Final difference Production Value (MMK)
			Initial		Adjust		Final		Initial		Adjust		Final			
			Production Volume (Carat)	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)		
1	(1.1.1) Gems & Jewellery Co.,Ltd	Jade (KG)	303,929	1,440,002,500	-	-	303,929	1,440,002,500	303,929	1,440,002,500	-	-	303,929	1,440,002,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Agga Yadanar Min Yarzar Jade Gems & Jewellery Co., Ltd.	Jade (KG)	44,343	97,163,500	-	-	44,343	97,163,500	44,343	97,163,500	-	-	44,343	97,163,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Aung Aung Naing Naing Gems Co., Ltd	Jade (KG)	55,411	144,645,000	-	-	55,411	144,645,000	55,411	144,645,000	-	-	55,411	144,645,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Aung Myin Thu (AMT) Company	Jade (KG)	49,255	126,697,600	-	-	49,255	126,697,600	49,255	126,697,600	-	-	49,255	126,697,600	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Ayar Jade Company	Jade (KG)	637,978	2,447,274,500	-	-	637,978	2,447,274,500	637,978	2,447,274,500	-	-	637,978	2,447,274,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Ayeyar Yadanar Gems & Jewellery Co., Ltd.	Jade (KG)	3,314,106	6,345,183,100	-	-	3,314,106	6,345,183,100	3,314,106	6,345,183,100	-	-	3,314,106	6,345,183,100	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Ba Wa Tet Lan	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Chang Long Gems & Jewellery Co.,Ltd.	Jade (KG)	12,298	24,931,500	-	-	12,298	24,931,500	12,298	24,931,500	-	-	12,298	24,931,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Chaow Brothers (GCB) (Venture)	Jade (KG)	99,023	244,775,600	-	-	99,023	244,775,600	99,023	244,775,600	-	-	99,023	244,775,600	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Crystal Red Gems Co.,Ltd	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Ever Winner Gems Company [EW]	Jade (KG)	11,283	297,614,000	-	-	11,283	297,614,000	11,283	297,614,000	-	-	11,283	297,614,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Farmer Phyoayzar Gems Co., Ltd	Jade (KG)	40,658	112,107,000	-	-	40,658	112,107,000	40,658	112,107,000	-	-	40,658	112,107,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Golden Grate Wall Gems Co.,Ltd	Jade (KG)	26,608	53,448,500	-	-	26,608	53,448,500	50,293	129,313,300	-	-	50,293	129,313,300	(23,685)	(75,864,800)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Companies		Type	Per Company						Per MGE						Final difference Production Volume	Final difference Production Value (MMK)
			Initial		Adjust		Final		Initial		Adjust		Final			
			Production Volume (Carat)	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)		
14	Great Nine	Jade (KG)	53,200	6,851,000	(14,900)	(1,753,500)	38,300	5,097,500	38,300	5,097,500	-	-	38,300	5,097,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Great Genesis Gems (GMH) Company	Jade (KG)	294,243	-	-	-	294,243	-	294,243	816,598,400	-	-	294,243	816,598,400	-	(816,598,400)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Hawk Kyi Jewellery Company	Jade (KG)	7,330	15,026,400	-	-	7,330	15,026,400	7,330	15,026,400	-	-	7,330	15,026,400	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Jade Pioneer Company Limited (Jade Shaesaung)	Jade (KG)	-	-	14,500	1,600,000	14,500	1,600,000	14,500	1,600,000	-	-	14,500	1,600,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Jade Ayer International Co.,Ltd	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Jade Mountain Gems Company	Jade (KG)	53,266	125,751,000	-	-	53,266	125,751,000	53,266	125,751,000	-	-	53,266	125,751,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Jade Padathar Company	Jade (KG)	61,828	126,167,500	-	-	61,828	126,167,500	141,966	349,716,500	-	-	141,966	349,716,500	(80,138)	(223,549,000)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Jade Palace (Kyauk Seinn Nandaw Gems & Jewellery Co., Ltd.)	Jade (KG)	60,615	304,784,800	-	-	60,615	304,784,800	88,103	304,784,800	-	-	88,103	304,784,800	(27,488)	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Jade New Gems & Jewellery Co., Ltd.	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	JADE TREASURE COMPANY LIMITED	Jade (KG)	46,148	118,495,250	-	-	46,148	118,495,250	50,863	134,394,250	-	-	50,863	134,394,250	(4,715)	(15,899,000)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Kachin Nationals Development@ Progress Gems Co.,Ltd	Jade (KG)	52,919	131,995,250	-	-	52,919	131,995,250	52,919	131,995,250	-	-	52,919	131,995,250	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Kaung Myat Thukha Co., Ltd	Jade (KG)	226,145	699,033,500	-	-	226,145	699,033,500	226,145	699,033,500	-	-	226,145	699,033,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Kaung Su Aung Jade & Gmes Co., Ltd.	Jade (KG)	-	-	-	-	-	-	22,342	130,627,750	-	-	22,342	130,627,750	(22,342)	(130,627,750)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Kaung Su Wai Hlyan Gems Co.,Ltd	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28		Jade (KG)	498,950	1,488,906,000	-	-	498,950	1,488,906,000	498,950	1,488,906,000	-	-	498,950	1,488,906,000	-	-

Companies		Type	Per Company						Per MGE						Final difference Production Volume	Final difference Production Value (MMK)
			Initial		Adjust		Final		Initial		Adjust		Final			
			Production Volume (Carat)	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)		
	Kaung Swan Htet Company	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Khin Zaw Aung & Brothers Gems and Jewellery Company Limited	Jade (KG)	579,046	1,802,966,000	-	-	579,046	1,802,966,000	579,046	1,802,966,000	-	-	579,046	1,802,966,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Khine Lon Company (KL)	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	KHUN PA-OH GEMS & JEWELLERY CO LTD.	Jade (KG)	342,147	1,011,089,500	-	-	342,147	1,011,089,500	342,147	1,011,089,500	-	-	342,147	1,011,089,500	-	-
		Gems (Carat)	-	-	-	-	-	-	68,400	5,912,000	-	-	68,400	5,912,000	(68,400)	(5,912,000)
32	Kyaing International (GKI) Company	Jade (KG)	48,357	166,003,250	-	-	48,357	166,003,250	48,357	166,003,250	-	-	48,357	166,003,250	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Kyauk Seinn Win Kabar Jade and Gems Company	Jade (KG)	361,771	777,007,000	-	-	361,771	777,007,000	361,771	777,007,000	-	-	361,771	777,007,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Kyauk seinn Sun Shwin Jade, Gems & Jewellery Co., Ltd	Jade (KG)	64,450	1,268,500	-	-	64,450	1,268,500	64,450	6,342,500	-	-	64,450	6,342,500	-	(5,074,000)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Kyaw Naing & Brothers Gems	Jade (KG)	54,069	110,476,600	-	-	54,069	110,476,600	54,069	110,476,600	-	-	54,069	110,476,600	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Linn Lett Win Yadanar Gems	Jade (KG)	1,684,193	4,523,638,600	-	-	1,684,193	4,523,638,600	1,684,220	4,523,638,600	-	-	1,684,220	4,523,638,600	(27)	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Long Byit Jewellery Co.,Ltd	Jade (KG)	4,825	22,393,000	-	-	4,825	22,393,000	4,825	22,393,000	-	-	4,825	22,393,000	-	-
		Gems (Carat)	-	-	-	-	-	-	31,500	3,080,000	-	-	-	-	-	-
38	Lyan Shan Company	Jade (KG)	95,380	194,276,750	-	-	95,380	194,276,750	95,380	194,276,750	-	-	95,380	194,276,750	-	-
		Gems (Carat)	-	-	183,100	33,600,000	183,100	33,600,000	183,100	33,600,000	-	-	183,100	33,600,000	-	-
39	Emerald Garden Co., Ltd.	Jade (KG)	1,362,979	3,922,885,900	-	-	1,362,979	3,922,885,900	-	-	-	-	-	-	1,362,979	3,922,885,900
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	GREEN MOUNTAIN COMPANY LIMITED	Jade (KG)	46,315	119,894,500	78,021	243,641,500	124,336	363,536,000	124,336	363,536,000	-	-	124,336	363,536,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	MYA YAUNG TUN GEMS & JEWELLERY Company	Jade (KG)	3,117	12,787,500	-	-	3,117	12,787,500	3,117	12,787,500	-	-	3,117	12,787,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Myanmar Ruby Enterprise	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gems (Carat)	132,733	35,531,400	-	-	132,733	35,531,400	134,077	38,456,400	-	-	134,077	38,456,400	(1,344)	(2,925,000)

			Per Company						Per MGE						Final difference Production Volume	Final difference Production Value (MMK)
			Initial		Adjust		Final		Initial		Adjust		Final			
			Production Volume (Carat)	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)		
43	Myanmar Economic Coorporation	Jade (KG)	-	-	-	-	-	-	90,642	16,590,250	-	-	90,642	16,590,250	(90,642)	(16,590,250)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Myanmar Imperial Jade (Gems & Jewellery) Co., Ltd.	Jade (KG)	116,609	1,874,798,500	-	-	116,609	1,874,798,500	116,609	1,874,798,500	-	-	116,609	1,874,798,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	Myanmar First Gems & Jewellery Company Limited	Jade (KG)	43,452	89,631,000	-	-	43,452	89,631,000	608,227	1,838,969,000	-	-	608,227	1,838,969,000	(564,775)	(1,749,338,000)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Myanma Seinn Lei Aung (MSLA-S) Company	Jade (KG)	62,109	210,608,050	-	-	62,109	210,608,050	62,109	210,608,050	-	-	62,109	210,608,050	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	MYANMAR SI-THU JEWELLERY CO;LTD	Jade (KG)	13,615	43,907,000	-	-	13,615	43,907,000	13,615	43,907,000	-	-	13,615	43,907,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Myanmar Thura Company [MTY]	Jade (KG)	43,996	44,911,500	-	-	43,996	44,911,500	87,432	181,487,000	-	-	87,432	181,487,000	(43,436)	(136,575,500)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	Myat Myitta Mon GEMS	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Myat Yamon Gems Company Limited	Jade (KG)	169,526	474,142,500	-	-	169,526	474,142,500	169,526	474,142,500	-	-	169,526	474,142,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Myo Nwee Gems and Jewellery Company Limited	Jade (KG)	278,603	751,961,500	-	-	278,603	751,961,500	282,263	576,377,750	-	-	282,263	576,377,750	(3,660)	175,583,750
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Nan Htike Pyae Paing Gems & Jewellery Company Limited	Jade (KG)	278,603	751,961,500	-	-	278,603	751,961,500	278,603	751,961,500	-	-	278,603	751,961,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Super Natural Gems & Jewellery Co., Ltd. (Natural Best)	Jade (KG)	86,182	226,933,500	-	-	86,182	226,933,500	86,182	226,933,500	-	-	86,182	226,933,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54	Nay La Pwint Company	Jade (KG)	-	-	-	-	-	-	65,847	151,149,300	-	-	65,847	151,149,300	(65,847)	(151,149,300)
		Gems (Carat)	-	-	-	-	-	-	16,900	1,874,000	-	-	16,900	1,874,000	(16,900)	(1,874,000)
55	New Jade International Company (NJ)	Jade (KG)	38,319	20,127,400	4	95,503,600	38,323	115,631,000	38,323	115,631,000	-	-	38,323	115,631,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	SILVER ELEPHANT GEMS COMPANY LIMITED (Ngwe sin)	Jade (KG)	1,046,228	668,296,300	0	0	1,046,228	668,296,300	2,165,636	6,173,727,200	-	-	2,165,636	6,173,727,200	(1,119,408)	(5,505,430,900)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57		Jade (KG)	92,700	11,741,000	-	-	92,700	11,741,000	92,700	11,741,000	-	-	92,700	11,741,000	-	-

Companies		Type	Per Company						Per MGE						Final difference Production Volume	Final difference Production Value (MMK)
			Initial		Adjust		Final		Initial		Adjust		Final			
			Production Volume (Carat)	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)	Production Volume	Production Value (MMK)		
	Nilar Yoma Gems Co.,Ltd	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	Oo Ya Gems & Jewellery Co.,Ltd	Jade (KG)	175,993	463,031,500	3,759	7,782,400	179,752	470,813,900	179,752	470,813,900	-	-	179,752	470,813,900	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59	Pang Huke Duwar Company{PHD}	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	Pho Thar Htoo Gems Company [PTH]	Jade (KG)	305,807	689,988,500	-	-	305,807	689,988,500	305,807	689,988,500	-	-	305,807	689,988,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	Phu Sha Star	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62	Phyo Pyae Sone	Jade (KG)	2,914	6,100,500	-	-	2,914	6,100,500	2,914	6,100,500	-	-	2,914	6,100,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63	Phyo Thiha Kyaw Gems Co.,Ltd.	Jade (KG)	722	2,843,000	-	-	722	2,843,000	722	2,843,000	-	-	722	2,843,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64	Ruby Dragon Gems & Jade Co.,Ltd.	Jade (KG)	5,966	13,463,500	-	-	5,966	13,463,500	5,966	13,463,500	-	-	5,966	13,463,500	-	-
		Gems (Carat)	154,000	43,000,000	-	-	154,000	43,000,000	149,500	43,000,000	4,500	-	-	43,000,000	-	-
65	Sein Lom Taung Tan Gems Company Limited	Jade (KG)	344,437	963,267,800	-	-	344,437	963,267,800	344,437	963,267,800	-	-	344,437	963,267,800	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66	Sein Thura San Company (GST)	Jade (KG)	2,400	8,955,000	-	-	2,400	8,955,000	2,400	8,955,000	-	-	2,400	8,955,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67	Shwe Byain Phyu (Gems) Company	Jade (KG)	36,377	81,810,500	-	-	36,377	81,810,500	36,377	81,810,500	-	-	36,377	81,810,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
68	Shwe Gaung Gaung (SGG-S) Company	Jade (KG)	111,689	246,235,400	-	-	111,689	246,235,400	111,689	246,235,400	-	-	111,689	246,235,400	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
69	Shwe Oak Khai Mining Company Limited	Jade (KG)	233,764	538,160,000	-	-	233,764	538,160,000	-	-	233,764	538,160,000	233,764	538,160,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70	Shwe Pyi Thar Gems Trading and Faceting Co-op.,Ltd	Jade (KG)	35,471	67,529,250	-	-	35,471	67,529,250	35,510	72,209,250	-	-	35,510	72,209,250	(39)	(4,680,000)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71	Super Same (SPS) Company	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

			Per Company						Per MGE						Final difference Production Volume	Final difference Production Value (MMK)
			Initial		Adjust		Final		Initial		Adjust		Final			
Type																
72	Shining Star Light Gems& Jewellery Co.,Ltd (Tauk Pa Thaw)	Jade (KG)	775,464	2,306,731,000	-	-	775,464	2,306,731,000	1,134,016	3,400,325,500	-	-	1,134,016	3,400,325,500	(358,552)	(1,093,594,500)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
73	THIRAWMANI GEMS & JEWELLERY COMPANY LIMITED	Jade (KG)	378,513	830,930,500	-	-	378,513	830,930,500	378,513	830,930,500	-	-	378,513	830,930,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
74	Tun Naing Aung Gems Co.,Ltd	Jade (KG)	-	-	18,158	79,331,500	18,158	79,331,500	18,158	79,331,500	-	-	18,158	79,331,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
75	UNITY GEMS CO.LTD.	Jade (KG)	9,065	3,788,250	5,586	34,177,750	14,651	37,966,000	14,651	37,966,000	-	-	14,651	37,966,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
76	VALUE STANDARD GEMS & JEWELLERY CO., LTD	Jade (KG)	625,878	1,719,159,500	-	-	625,878	1,719,159,500	625,878	1,719,159,500	-	-	625,878	1,719,159,500	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
77	WAI AUNG GABAR GEMS COMPANY LIMITED	Jade (KG)	1,624,349	5,861,921,000	-	-	1,624,349	5,861,921,000	1,624,349	5,861,921,000	-	-	1,624,349	5,861,921,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
78	Wai Family Gems Company Limited	Jade (KG)	244,789	1,279,091,000	-	-	244,789	1,279,091,000	244,789	1,279,091,000	-	-	244,789	1,279,091,000	-	-
		Gems (Carat)	-	-	-	-	-	-	500	75,000	-	-	500	75,000	(500)	(75,000)
79	Treasure Star Company Limited (Yadanar Kyal)	Jade (KG)	188,477	388,997,000	-	-	188,477	388,997,000	188,477	388,997,000	-	-	188,477	388,997,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
80	YADANAR SIN THIRI GEMS COMPANY LIMITED	Jade (KG)	76,125	216,572,250	-	-	76,125	216,572,250	76,125	216,572,250	-	-	76,125	216,572,250	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
81	Yadanar Taung Tann Gems Co.,Ltd.	Jade (KG)	795,587	1,046,428,740	118,364	5,651,151,360	913,951	6,697,580,100	913,951	6,697,580,100	-	-	913,951	6,697,580,100	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
82	Yadanar Three Elephant Company	Jade (KG)	-	-	-	-	-	-	212,977	449,978,000	-	-	212,977	449,978,000	(212,977)	(449,978,000)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83	Yar Za Htar Ni Gems Co., Ltd	Jade (KG)	1,129,774	3,896,480,000	-	-	1,129,774	3,896,480,000	1,129,774	3,896,480,000	-	-	1,129,774	3,896,480,000	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
84	Zebu Thiri Gems Co.,Ltd	Jade (KG)	-	-	-	-	-	-	62,067	13,127,400	-	-	62,067	13,127,400	(62,067)	(13,127,400)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total			20,256,420	52,894,575,940	406,592	6,145,034,610	20,663,012	59,039,610,550	21,860,211	64,804,923,700	238,264	538,160,000	22,066,975	65,340,003,700	(1,403,964)	(6,300,393,150)

The unreconciled differences for Gems and Jade production volumes is mainly due to the Participating Companies not having available supporting documents for any adjustment.

3.4.3.6. Gems and Jade Emporium Sales (EURO)

Domestic and local sales are made through the emporium. These are transacted by gems and jade companies in both EURO and MMK. The table below depicts the reported amounts by the reporting companies and MGE with the adjustments and final differences noted in the respective currencies.

Company		Per Company						Per MGE						Final Difference Sales Volume	Final difference Sales Value (EURO)	
		Initial		Adjust		Final		Initial		Adjust		Final				
		Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)			
1	(1.1.1) Gems & Jewellery Co.,Ltd	Jade (KG)	19,381	3,728,473	-	-	19,381	3,728,473	20,361	4,021,594	-	-	20,361	4,021,594	(980)	(293,121)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Agga Yadanar Min Yarzar Jade Gems & Jewellery Co., Ltd.	Jade (KG)	-	3,538,477	24,356	-	24,356	3,538,477	24,356	3,538,477	-	-	24,356	3,538,477	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Aung Aung Naing Naing Gems Co., Ltd	Jade (KG)	3,183	2,578,063	-	-	3,183	2,578,063	4,975	3,423,298	-	-	4,975	3,423,298	(1,792)	(845,235)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Aung Myin Thu (AMT) Company	Jade (KG)	49,255	1,840,132	-	-	49,255	1,840,132	5,011	2,290,746	-	-	5,011	2,290,746	44,244	(450,614)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Ayar Jade Company	Jade (KG)	-	-	-	-	-	-	92,503	14,070,877	-	-	92,503	14,070,877	(92,503)	(14,070,877)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Ayeyar Yadanar Gems & Jewellery Co., Ltd.	Jade (KG)	-	-	-	-	-	-	15,829	4,090,661	-	-	15,829	4,090,661	(15,829)	(4,090,661)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Ba Wa Tet Lan	Jade (KG)	-	1,500,368	-	-	-	1,500,368	123	1,507,153	-	-	123	1,507,153	(123)	(6,785)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Chang Long Gems & Jewellery Co.,Ltd.	Jade (KG)	765	5,853,327	-	-	765	5,853,327	765	3,542,288	-	-	765	3,542,288	-	2,311,039
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Chaow Brothers (GCB) (Venture)	Jade (KG)	-	-	-	-	-	-	9,478	1,306,608	-	-	9,478	1,306,608	(9,478)	(1,306,608)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Crystal Red	Jade (KG)	-	-	-	-	-	-	6,236	2,417,781	-	-	6,236	2,417,781	(6,236)	(2,417,781)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Ever Winner Gems Company [EW]	Jade (KG)	2,559	2,482,841	-	-	2,559	2,482,841	2,416	2,521,841	-	-	2,416	2,521,841	143	(39,000)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Farmer Phyoayzar Gems Co., Ltd	Jade (KG)	-	-	-	-	-	-	5,498	3,024,228	-	-	5,498	3,024,228	(5,498)	(3,024,228)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Golden Grate Wall Gems Co.,Ltd	Jade (KG)	8,602	2,210,125	-	-	8,602	2,210,125	9,527	2,257,791	-	-	9,527	2,257,791	(925)	(47,666)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Great Nine	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gems (KG)	8	45,777	-	-	8	45,777	8	45,777	-	-	8	45,777	-	-
15	Great Genesis Gems (GMH) Company	Jade (KG)	-	-	-	-	-	-	-	16,572,786	-	-	8,656	16,572,786	(8,656)	(607,719)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

			Per Company						Per MGE						Final Difference Sales Volume	Final difference Sales Value (EURO)
			Initial		Adjust		Final		Initial		Adjust		Final			
			Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)		
Company																
16	Hawk Kyi Jewellery Company	Jade (KG)	-	-	-	-	-	9,554	2,515,409	-	-	9,554	2,515,409	(9,554)	(2,515,409)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
17	Jade Pioneer Company Limited (Jade Shaesaung)	Jade (KG)	1,307	125,924	3,033	(1,173)	4,340	124,751	4,340	124,751	-	-	4,340	124,751	-	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	Jade Ayer International Co.,Ltd	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	Jade Mountain Gems Company	Jade (KG)	24,299	4,653,774	-	-	24,299	4,653,774	27,364	4,846,501	(3,065)	(192,727)	24,299	4,653,774	-	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Jade Padathar Company	Jade (KG)	7,898	1,806,054	-	-	7,898	1,806,054	5,916	1,465,947	-	-	5,916	1,465,947	1,982	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	Jade Palace (Kyauk Seinn Nandaw Gems & Jewellery Co., Ltd.)	Jade (KG)	-	-	-	-	-	172,452	1,020	172,452	-	-	1,020	172,452	(1,020)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	Jade New Gems & Jewellery Co., Ltd.	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	JADE TREASURE COMPANY LIMITED	Jade (KG)	6,571	2,214,626	-	-	6,571	2,214,626	7,896	2,240,635	-	-	7,896	2,240,635	(1,325)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Kachin Nationals Development@ Progress Gems Co.,Ltd	Jade (KG)	35	2,132,199	-	-	35	2,132,199	19,985	2,344,359	-	-	19,985	2,344,359	(19,950)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
25	Kaung Myat Thukha Co., Ltd	Jade (KG)	19,699	2,032,306	-	-	19,699	2,032,306	21,331	2,321,468	-	-	21,331	2,321,468	(1,632)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
26	Kaung Su Aung Jade & Gmes Co., Ltd.	Jade (KG)	-	624,453	-	-	-	624,453	3,988	1,140,498	-	-	3,988	1,140,498	(3,988)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
27	Kaung Su Wai Hlyan Gems Co.,Ltd	Jade (KG)	1,226	545,802	-	-	1,226	545,802	1,226	545,802	-	-	1,226	545,802	-	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
28	Kaung Swan Htet Company	Jade (KG)	17,406	3,754,369	-	-	17,406	3,754,369	22,224	4,334,754	-	-	22,224	4,334,754	(4,818)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
29	Khin Zaw Aung & Brothers Gems and Jewellery Company Limited	Jade (KG)	100,627	44,252,955	-	-	100,627	44,252,955	107,588	45,443,307	-	-	107,588	45,443,307	(6,961)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
30	Khine Lon Company (KL)	Jade (KG)	-	-	-	-	-	13,212	1,796,853	-	-	13,212	1,796,853	(13,212)	(1,796,853)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
31	KHUN PA-OH GEMS & JEWELLERY CO LTD.	Jade (KG)	-	-	-	-	-	35,652	7,119,896	-	-	35,652	7,119,896	(35,652)	(7,119,896)	
		Gems (Carat)	-	-	-	-	-	-	12	18,800	-	-	12	18,800	(12)	(18,800)
32	Kyaing International (GKI) Company	Jade (KG)	7,679	8,794,572	(6,911)	(195,232)	768	8,599,340	768	8,599,340	-	-	768	8,599,340	-	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	

	Company		Per Company						Per MGE						Final Difference Sales Volume	Final difference Sales Value (EURO)
			Initial		Adjust		Final		Initial		Adjust		Final			
			Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)		
33	Kyauk Seinn Win Kabar Jade and Gems Company	Jade (KG)	-	-	-	-	-	7,050	2,207,712	-	-	7,050	2,207,712	(7,050)	(2,207,712)	
		Gems (Carat)	-	-	-	-	-	-	4	80,199	-	-	4	80,199	(4)	(80,199)
34	Kyauk seinn Sun Shwin Jade, Gems & Jewellery Co., Ltd	Jade (KG)	-	5,346,952	-	-	-	5,346,952	15,698	5,382,649	-	-	15,698	5,382,649	(15,698)	(35,697)
		Gems (Carat)	-	-	-	-	-	-	625		-	-	625		-	-
		Gems (KG)	-	-	-	-	-	-	9	343,400	-	-	9	343,400	(9)	-
35	Kyaw Naing & Brothers Gems	Jade (KG)	-	73,382	-	-	-	73,382	2,875	348,885	-	-	2,875	348,885	(2,875)	(275,503)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Linn Lett Win Yadanar Gems	Jade (KG)	-	-	-	-	-	178,437	48,320,130	-	-	178,437	48,320,130	(178,437)	(48,320,130)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Long Byit Jewellery Co.,Ltd	Jade (KG)	-	-	-	-	-	3,635	2,142,438	-	-	3,635	2,142,438	(3,635)	(2,142,438)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Lyan Shan Company	Jade (KG)	6,787	5,115,494	-	-	6,787	5,115,494	7,242	5,237,499	-	-	7,242	5,237,499	(455)	(122,005)
		Gems (Carat)	112,000	412,146	-	-	112,000	412,146	-	-	-	-	-	-	112,000	412,146
39	Emerald Garden Co., Ltd.	Jade (KG)	48,073	5,804,770	-	-	48,073	5,804,770	57,642	744,092	-	-	57,642	744,092	(9,569)	5,060,678
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	GREEN MOUNTAIN COMPANY LIMITED	Jade (KG)	9,099	5,006,152	-	-	9,099	5,006,152	10,653	5,104,699	-	-	10,653	5,104,699	(1,554)	(98,547)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	MYA YAUNG TUN GEMS & JEWELLERY Company	Jade (KG)	3,480	260,948	-	-	3,480	260,948	2,373	215,382	-	-	2,373	215,382	1,107	45,566
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Myanmar Ruby Enterprise	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gems (Carat)	877,854	722,699	-	-	877,854	722,699	-	-	-	-	-	-	877,854	722,699
43	Myanmar Economic Cooperation	Jade (KG)	-	-	-	-	-	1,991	3,341,436	-	-	1,991	3,341,436	(1,991)	(3,341,436)	
		Gems (Carat)	-	-	-	-	-	-	604		-	-	604		-	(70,007)
		Gems (KG)	-	-	-	-	-	-	5	70,007	-	-	5	70,007	(5)	
44	Myanmar Imperial Jade (Gems & Jewellery) Co., Ltd.	Jade (KG)	84,596	15,683,041	-	-	84,596	15,683,041	84,596	15,913,041	-	-	84,596	15,913,041	-	(230,000)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	Myanmar First Gems & Jewellery Company Limited	Jade (KG)	15,919	4,158,174	-	-	15,919	4,158,174	16,749	4,275,103	-	-	16,749	4,275,103	(830)	(116,929)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Myanma Seinn Lei Aung (MSLA-S) Company	Jade (KG)	821	4,166,067	-	-	821	4,166,067	834	4,490,316	-	-	834	4,490,316	(14)	(324,249)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Myanmar Thura Company [MTY]	Jade (KG)	11,470	7,284,151	-	-	11,470	7,284,151	6,215	7,098,939	-	-	6,215	7,098,939	5,255	185,212
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Myat Yamon Gems Company Limited	Jade (KG)	27,022	6,950,107	-	-	27,022	6,950,107	38,263	7,876,415	-	-	38,263	7,876,415	(11,241)	(926,308)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

			Per Company						Per MGE					Final Difference Sales Volume	Final difference Sales Value (EURO)	
			Initial		Adjust		Final		Initial		Adjust		Final			
			Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume			Sales Value (EURO)
Company																
51	Myo Nwee Gems and Jewellery Company Limited	Jade (KG)	28,078	6,748,465	-	-	28,078	6,748,465	34,719	6,714,632	-	-	34,719	6,714,632	(6,641)	33,833
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	Nan Htike Pyae Paing Gems & Jewellery Company Limited	Jade (KG)	-	-	10,036	2,648,492	10,036	2,648,492	10,035	2,648,492	-	-	10,035	2,648,492	1	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Super Natural Gems & Jewellery Co., Ltd. (Natural Best)	Jade (KG)	-	-	13,475	2,306,543	13,475	2,306,543	13,413	2,384,106	-	-	13,413	2,384,106	62	(77,563)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54	Nay La Pwint Company	Jade (KG)	6,102	1,172,495	-	-	6,102	1,172,495	16,874	1,398,518	-	-	16,874	1,398,518	(10,772)	(226,023)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	New Jade International Company (NJ)	Jade (KG)	12,764	7,855,887	-	-	12,764	7,855,887	14,074	8,092,283	-	-	14,074	8,092,283	(1,310)	(236,396)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	SILVER ELEPHANT GEMS COMPANY LIMITED (Ngwe sin)	Jade (KG)	72,745	21,752,297	-	-	72,745	21,752,297	52,442	17,721,708	-	-	52,442	17,721,708	20,303	4,030,589
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Nilar Yoma Gems Co.,Ltd	Ruby & Sapphire (KG)	3,300	218,240	-	-	3,300	218,240	3,300	271,703	-	-	3,300	271,703	-	(53,463)
		Ruby & Sapphire (Carat)	51	-	-	-	51	-	51	-	-	-	51	-	-	-
58	Oo Ya Gems & Jewellery Co.,Ltd	Jade (KG)	48,406	4,439,291	-	-	48,406	4,439,291	48,428	4,450,171	-	-	48,428	4,450,171	(22)	(10,880)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59	Pang Juke Duwa Company	Jade (KG)	-	-	-	-	-	-	11,927	3,793,615	-	-	11,927	3,793,615	(11,927)	(3,793,615)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	Pho Thar Htoo Gems Company [PTH]	Jade (KG)	-	-	-	-	-	-	35,254	5,915,299	-	-	35,254	5,915,299	(35,254)	(5,915,299)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	Phu Sha Star	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62	Phyo Pyae Sone	Jade (KG)	-	-	-	-	-	-	5,950	1,937,125	-	-	5,950	1,937,125	(5,950)	(1,937,125)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63	Phyo Thiha Kyaw Gems Co.,Ltd.	Jade (KG)	3,059	1,686,737	-	-	3,059	1,686,737	3,059	1,686,737	-	-	3,059	1,686,737	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64	Ruby Dragon Jade & Gems Co.,Ltd	Jade (KG)	-	12,778	-	-	-	12,778	580	12,778	-	-	580	12,778	(580)	-
		Gems (Carat)	-	1,027,481	-	-	-	1,027,481	-	-	-	-	-	-	-	1,027,481
65	Sein Lom Taung Tan Gems Company Limited	Jade (KG)	102,730	11,000,323	-	-	102,730	11,000,323	109,740	12,011,835	-	-	109,740	12,011,835	(7,010)	(1,011,512)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66	Sein Thura San Company (GST)	Jade (KG)	645	1,944,188	-	-	645	1,944,188	761	2,052,842	-	-	761	2,052,842	(116)	(108,654)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67	Shwe Byaing Phyu	Jade (KG)	-	-	13,786	3,086,427	13,786	3,086,427	13,786	3,086,427	-	-	13,786	3,086,427	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Company		Per Company						Per MGE						Final Difference Sales Volume	Final difference Sales Value (EURO)	
		Initial		Adjust		Final		Initial		Adjust		Final				
		Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)	Sales Volume	Sales Value (EURO)			
68	Shwe Gaung Gaung (SGG-S) Company	Jade (KG)	-	-	-	-	-	51,545	1,835,504	-	-	51,545	1,835,504	(51,545)	(1,835,504)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
69	Shwe Oak Khai Mining Company Limited	Jade (KG)	-	-	-	-	-	22,104	5,031,129	-	-	22,104	5,031,129	(22,104)	(5,031,129)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
70	Shwe Pyi Thar Gems Trading and Faceting Co.,Ltd	Jade (KG)	5,457	1,917,404	-	-	5,457	1,917,404	10,692	2,072,528	-	-	10,692	2,072,528	(5,236)	(155,124)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
71	Super Same (SPS) Company	Jade (KG)	-	-	-	-	-	1,887	2,004,320	-	-	1,887	2,004,320	(1,887)	(2,004,320)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
72	Shining Star Light Gems& Jewellery Co.,Ltd (Tauk Pa Thaw)	Jade (KG)	15,565	1,937,084	-	-	15,565	1,937,084	15,565	1,937,048	-	-	15,565	1,937,048	-	36
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
73	THIRAWMANI GEMS & JEWELLERY COMPANY LIMITED	Jade (KG)	20,685	6,467,527	-	-	20,685	6,467,527	19,519	6,708,983	-	-	19,519	6,708,983	1,166	(241,456)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
74	Tun Naing Aung Gems Co.,Ltd	Jade (KG)	3,095	8,825,838	-	-	3,095	8,825,838	3,825	8,830,937	-	-	3,825	8,830,937	(730)	(5,099)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
75	Unity	Jade (KG)	17,202	6,061,948	-	-	17,202	6,061,948	13,401	5,005,963	-	-	13,401	5,005,963	3,801	1,055,985
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
76	VALUE STANDARD GEMS & JEWELLERY CO., LTD	Jade (KG)	-	-	12,297	3,869,582	12,297	3,869,582	15,770	4,131,845	-	-	15,770	4,131,845	(3,473)	(262,263)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
77	Wai Aung Kabar	Jade (KG)	304,403	39,768,229	-	-	304,403	39,768,229	304,403	39,768,229	-	-	304,403	39,768,229	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
78	Wai Family Gems Company Limited	Jade (KG)	1,171	14,707,307	-	-	1,171	14,707,307	1,171	14,707,307	-	-	1,171	14,707,307	-	-
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
79	Treasure Star Company Limited (Yadanar Kyal)	Jade (KG)	-	-	-	-	-	2,146	2,341,202	-	-	2,146	2,341,202	(2,146)	(2,341,202)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
80	YADANAR SIN THIRI GEMS COMPANY LIMITED	Jade (KG)	3,446	3,355,718	-	-	3,446	3,355,718	1,367	3,183,365	-	-	1,367	3,183,365	2,079	172,353
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
81	Yadanar Taung Tann Gems Co.,Ltd.	Jade (KG)	-	-	70,791	38,364,416	70,791	38,364,416	177,868	34,726,298	-	-	177,868	34,726,298	(107,077)	3,638,118
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
82	Yadanar Three Elephant Company	Jade (KG)	40,485	19,419,496	-	-	40,485	19,419,496	49,715	20,872,027	-	-	49,715	20,872,027	(9,230)	(1,452,531)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
83	Yar Zar Htar Ni Gems Co., Ltd	Jade (KG)	-	-	42,464	10,051,741	42,464	10,051,741	49,747	11,307,611	-	-	49,747	11,307,611	(7,283)	(1,255,870)
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	
84	Zebu Thiri Gems Co.,Ltd	Jade (KG)	-	-	-	-	-	4,567	1,424,906	-	-	4,567	1,424,906	(4,567)	(1,424,906)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	

The unreconciled differences for Gems and Jade EURO Sales volume are due to the following:

- Participating Companies did not have available supporting documents at the reconciliation meeting which resulted in the amounts being left unreconciled.
- Government Agencies reported EURO sales on an accrual basis whilst Participating Companies reported on a cash basis.

3.4.3.7. Gems and Jade Emporium Sales – MMK

The table below shows the adjustments and final differences between the emporium sales reported by Gems and Jade companies and MGE.

Companies		Per Company						Per MGE						Final Difference Sales Volume Sales Value (MMK)	
		Initial		Adjust		Final		Initial		Adjust		Final			
		Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)		
1 (1.1.1) Gems & Jewellery Co.,Ltd	Jade (KG)	-	-	-	-	-	-	36,495	551,147,725	-	-	36,495	551,147,725	(36,495)	(551,147,725)
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Agga Yadanar Min Yarzar Jade Gems & Jewellery Co., Ltd.	Jade (KG)	-	-	-	-	-	-	18,640	450,651,056	-	-	18,640	450,651,056	(18,640)	(450,651,056)
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Aung Aung Naing Naing Gems Co., Ltd	Jade (KG)	-	-	-	-	-	-	7,540	34,680,197	-	-	7,540	34,680,197	(7,540)	(34,680,197)
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Aung Myin Thu (AMT) Company	Jade (KG)	-	-	-	-	-	-	4,250	29,582,776	-	-	4,250	29,582,776	(4,250)	(29,582,776)
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Ayar Jade Company	Jade (KG)	-	-	-	-	-	-	78,784	1,392,795,185	-	-	78,784	1,392,795,185	(78,784)	(1,392,795,185)
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Ayeyar Yadanar Gems & Jewellery Co., Ltd.	Jade (KG)	-	-	-	-	-	-	16,550	160,383,900	-	-	16,550	160,383,900	(16,550)	(160,383,900)
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Ba Wa Tet Lan	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Chang Long Gems & Jewellery Co.,Ltd.	Jade (KG)	-	-	-	-	-	-	10,217	78,044,334	-	-	10,217	78,044,334	(10,217)	(78,044,334)
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Chaow Brothers (GCB) (Venture)	Jade (KG)	-	-	-	-	-	-	20,874	311,668,567	-	-	20,874	311,668,567	(20,874)	(311,668,567)
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Crystal Red	Jade (KG)	7,022	-	-	-	7,022	-	3,668	25,090,922	-	-	3,668	25,090,922	3,354	(25,090,922)

Companies		Per Company						Per MGE						Final Difference Sales Volume		Final difference Sales Value (MMK)
		Initial		Adjust		Final		Initial		Adjust		Final				
		Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)			
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Ever Winner Gems Company [EW]	Jade (KG)	-	-	-	-	-	2,023	84,176,945	-	-	2,023	84,176,945	(2,023)		(84,176,945)
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Farmer Phyoyarzar Gems Co., Ltd	Jade (KG)	-	-	-	-	-	3,985	39,427,774	-	-	3,985	39,427,774	(3,985)		(39,427,774)
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Golden Grate Wall Gems Co.,Ltd	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Great Nine	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Great Genesis Gems (GMH) Company	Jade (KG)	-	-	-	-	-	75,492	546,871,066	-	-	75,492	546,871,066	(75,492)		(546,871,066)
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Hawk Kyi Jewellery Company	Jade (KG)	-	2,440,843	-	-	-	2,440,843	13,555	112,473,318	-	-	13,555	112,473,318	(13,555)	(110,032,475)
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Jade Pioneer Company Limited (Jade Shaesauing)	Jade (KG)	-	-	-	-	-	910	39,289,000	-	-	910	39,289,000	(910)		(39,289,000)
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Jade Ayer International Co.,Ltd	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Jade Mountain Gems Company	Jade (KG)	-	-	-	-	-	41,470	102,438,136	-	-	41,470	102,438,136	(41,470)		(102,438,136)
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Jade Padathar Company	Jade (KG)	-	-	-	-	-	35,465	622,486,017	-	-	35,465	622,486,017	(35,465)		(622,486,017)
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Jade Palace (Kyauk Seinn Nandaw Gems & Jewellery Co., Ltd.)	Jade (KG)	617,966,682	-	-	-	617,966,682	25,135	61,796,682	-	-	25,135	61,796,682	(25,135)		556,170,000
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Jade New Gems & Jewellery Co., Ltd.	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Companies		Per Company						Per MGE						Final Difference Sales Volume		Final difference Sales Value (MMK)	
		Initial		Adjust		Final		Initial		Adjust		Final					
		Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)				
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	JADE TREASURE COMPANY LIMITED	Jade (KG)	-	-	-	-	-	16,870	113,122,296	-	-	16,870	113,122,296	(16,870)		(113,122,296)	
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Kachin Nationals Development@ Progress Gems Co.,Ltd	Jade (KG)	-	-	-	-	-	18,653	163,892,480	-	-	18,653	163,892,480	(18,653)		(163,892,480)	
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
25	Kaung Myat Thukha Co., Ltd	Jade (KG)	19,699	-	-	-	19,699	-	28,989	133,268,368	-	-	28,989	133,268,368	(9,290)	(133,268,368)	
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
26	Kaung Su Aung Jade & Gmes Co., Ltd.	Jade (KG)	-	-	-	-	-	19,917	53,370,422	-	-	19,917	53,370,422	(19,917)		(53,370,422)	
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
27	Kaung Su Wai Hlyan Gems Co.,Ltd	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
28	Kaung Swan Htet Company	Jade (KG)	1,044	28,055,000	-	-	1,044	28,055,000	60,131	937,048,626	-	-	60,131	937,048,626	(59,087)	(908,993,626)	
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
29	Khin Zaw Aung & Brothers Gems and Jewellery Company Limited	Jade (KG)	-	-	-	-	-	138,216	188,547,915	-	-	138,216	188,547,915	(138,216)		(188,547,915)	
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
30	Khine Lon Company (KL)	Jade (KG)	-	-	-	-	-	6,738	142,962,575	-	-	6,738	142,962,575	(6,738)		(142,962,575)	
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
31	KHUN PA-OH GEMS & JEWELLERY CO LTD.	Jade (KG)	21,799	8,661,208,038	-	-	21,799	8,661,208,038	67,526	374,258,555	-	-	67,526	374,258,555	(45,727)	8,286,949,483	
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
32	Kyaing International (GKI) Company	Jade (KG)	41,079	537,751,968	-	-	41,079	537,751,968	48,386	484,121,246	-	-	48,386	484,121,246	(7,307)	53,630,722	
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
33	Kyauk Seinn Win Kabar Jade and Gems Company	Jade (KG)	-	-	-	-	-	27,210	183,867,965	-	-	27,210	183,867,965	(27,210)		(183,867,965)	
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
34	Kyauk seinn Sun Shwin Jade, Gems & Jewellery Co., Ltd	Jade (KG)	-	-	-	-	-	27,300	119,165,781	-	-	27,300	119,165,781	(27,300)		(119,165,781)	
	Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Companies			Per Company						Per MGE						Final Difference Sales Volume		Final difference Sales Value (MMK)	
			Initial		Adjust		Final		Initial		Adjust		Final					
			Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)				
35	Kyaw Naing & Brothers Gems	Jade (KG)	-	-	-	-	-	-	8,260	214,335,614	-	-	8,260	214,335,614	(8,260)	(214,335,614)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
36	Linn Lett Win Yadanar Gems	Jade (KG)	182,640	-	-	-	182,640	-	192,228	1,791,907,579	-	-	192,228	1,791,907,579	(9,589)	(1,791,907,579)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
37	Long Byit Jewellery Co.,Ltd	Jade (KG)	-	-	-	-	-	-	2,379	24,499,442	-	-	2,379	24,499,442	(2,379)	(24,499,442)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
38	Lyan Shan Company	Jade (KG)	-	-	-	-	-	-	29,214	247,332,859	-	-	29,214	247,332,859	(29,214)	(247,332,859)		
		Gems (Carat)	-	-	-	-	-	-	119,800	17,299,990	-	-	119,800	17,299,990	(119,800)	(17,299,990)		
39	Emerald Garden Co., Ltd.	Jade (KG)	-	-	-	-	-	-	37,165	161,487,806	-	-	37,165	161,487,806	(37,165)	(161,487,806)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
40	GREEN MOUNTAIN COMPANY LIMITED	Jade (KG)	-	-	-	-	-	-	37,433	615,548,766	-	-	37,433	615,548,766	(37,433)	(615,548,766)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
41	MYA YAUNG TUN GEMS & JEWELLERY Company	Jade (KG)	-	-	-	-	-	-	6,250	12,936,740	-	-	6,250	12,936,740	(6,250)	(12,936,740)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
42	Myanmar Ruby Enterprise	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		Gems (KG)	-	-	-	-	-	-	198	942,951,737	-	-	198	942,951,737	(198)	(942,951,737)		
		Gems (Carat)	-	-	-	-	-	-	336,135	-	-	-	336,135	-	(336,135)	-		
43	Myanmar Economic Cooperation	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
44	Myanmar Imperial Jade (Gems & Jewellery) Co., Ltd.	Jade (KG)	-	-	-	-	-	-	13,562	2,231,706,563	-	-	13,562	2,231,706,563	(13,562)	(2,231,706,563)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
45	Myanmar First Gems & Jewellery Company Limited	Jade (KG)	-	-	-	-	-	-	23,221	413,380,381	-	-	23,221	413,380,381	(23,221)	(413,380,381)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
46	Myanma Seinn Lei Aung (MSLA-S) Company	Jade (KG)	-	-	-	-	-	-	8,718	248,093,806	-	-	8,718	248,093,806	(8,718)	(248,093,806)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

Companies			Per Company						Per MGE						Final Difference Sales Volume		Final difference Sales Value (MMK)	
			Initial		Adjust		Final		Initial		Adjust		Final					
			Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)				
48	Myanmar Thura Company [MTY]	Jade (KG)	-	-	-	-	-	-	2,650	2,490,006	-	-	2,650	2,490,006	(2,650)	(2,490,006)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
50	Myat Yamon Gems Company Limited	Jade (KG)	-	-	-	-	-	-	66,050	271,978,722	-	-	66,050	271,978,722	(66,050)	(271,978,722)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
51	Myo Nwee Gems and Jewellery Company Limited	Jade (KG)	-	-	-	-	-	-	51,163	531,905,637	-	-	51,163	531,905,637	(51,163)	(531,905,637)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
52	Nan Hlike Pyae Paing Gems & Jewellery Company Limited	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
53	Super Natural Gems & Jewellery Co., Ltd. (Natural Best)	Jade (KG)	-	-	-	-	-	-	39,452	480,931,473	-	-	39,452	480,931,473	(39,452)	(480,931,473)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
54	Nay La Pwint Company	Jade (KG)	-	-	-	-	-	-	62,450	131,145,002	-	-	62,450	131,145,002	(62,450)	(131,145,002)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
55	New Jade International Company (NJ)	Jade (KG)	-	-	-	-	-	-	29,216	248,294,665	(29,216)	(248,294,665)	-	-	-	-		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
56	SILVER ELEPHANT GEMS COMPANY LIMITED (Ngwe sin)	Jade (KG)	26,935	52,821,754	-	-	26,935	52,821,754	26,935	528,217,545	-	-	26,935	528,217,545	-	(475,395,791)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
57	Nilar Yoma Gems Co.,Ltd	Gems (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
58	Oo Ya Gems & Jewellery Co.,Ltd	Jade (KG)	-	-	-	-	-	-	59,746	119,590,780	-	-	59,746	119,590,780	(59,746)	(119,590,780)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
59	Pang Huke Duwa Company{PHD}	Jade (KG)	-	-	-	-	-	-	1,625	376,080,998	-	-	1,625	376,080,998	(1,625)	(376,080,998)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
60	Pho Thar Htoo Gems Company [PTH]	Jade (KG)	26,971	-	-	-	26,971	-	31,286	419,785,269	-	-	31,286	419,785,269	(4,315)	(419,785,269)		
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

Companies		Per Company						Per MGE						Final Difference Sales Volume		Final difference Sales Value (MMK)	
		Initial		Adjust		Final		Initial		Adjust		Final					
		Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)				
61	Phu Sha Star	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
62	Phyo Pyae Sone	Jade (KG)	-	-	-	-	-	7,300	242,329,999	-	-	7,300	242,329,999	(7,300)		(242,329,999)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
63	Phyo Thiha Kyaw Gems Co.,Ltd.	Jade (KG)	-	-	-	-	-	11,805	11,490,192	-	-	11,805	11,490,192	(11,805)		(11,490,192)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
64	Ruby Dragon Jade & Gems Co.,Ltd	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Gems (KG)	-	-	-	-	-	4	3,178,827,168	-	-	4	3,178,827,168	(4)		(3,178,827,168)	
		Gems (Carat)	-	-	-	-	-	180,243	-	-	-	180,243	-	(180,243)		-	
65	Sein Lom Taung Tan Gems Company Limited	Jade (KG)	-	-	-	-	-	97,670	334,592,142	-	-	97,670	334,592,142	(97,670)		(334,592,142)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
66	Sein Thura San	Jade (KG)	-	-	-	-	-	3,634	4,684,000	-	-	3,634	4,684,000	(3,634)		(4,684,000)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
67	Shwe Byaing Phyu	Jade (KG)	-	-	-	-	-	15,380	55,026,276	-	-	15,380	55,026,276	(15,380)		(55,026,276)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
68	Shwe Gaung Gaung (SGG-S) Company	Jade (KG)	11,549	1,726,041	-	-	11,549	1,726,041	66,800	160,834,457	-	-	66,800	160,834,457	(55,251)	(159,108,416)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
69	Shwe Oak Khai Mining Company Limited	Jade (KG)	-	-	-	-	-	14,225	187,779,774	-	-	14,225	187,779,774	(14,225)		(187,779,774)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
70	Shwe Pyi Thar Gems Trading and Faceting Co- op.,Ltd	Jade (KG)	-	-	-	-	-	38,705	204,755,838	-	-	38,705	204,755,838	(38,705)		(204,755,838)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
71	Super Same (SPS) Company	Jade (KG)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
72	Shining Star Light Gems& Jewellery Co.,Ltd (Tauf Pa Thaw)	Jade (KG)	-	-	-	-	-	127,903	567,139,937	-	-	127,903	567,139,937	(127,903)		(567,139,937)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Companies		Per Company						Per MGE						Final Difference Sales Volume		Final difference Sales Value (MMK)	
		Initial		Adjust		Final		Initial		Adjust		Final					
		Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)	Sales Volume	Sales Value (MMK)				
73	THIRAWMANI GEMS & JEWELLERY COMPANY LIMITED	Jade (KG)	3,659	87,931,294	-	-	3,659	87,931,294	25,162	165,806,145	-	-	25,162	165,806,145	(21,503)	(77,874,851)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
74	Tun Naing Aung Gems Co.,Ltd	Jade (KG)	-	-	-	-	-	-	2,264	69,451,008	-	-	2,264	69,451,008	(2,264)	(69,451,008)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
75	Unity	Jade (KG)	-	-	-	-	-	-	12,074	304,810,700	-	-	12,074	304,810,700	(12,074)	(304,810,700)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
76	VALUE STANDARD GEMS & JEWELLERY CO., LTD	Jade (KG)	-	-	-	-	-	-	7,837	125,920,873	-	-	7,837	125,920,873	(7,837)	(125,920,873)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
77	Wai Aung Kabar	Jade (KG)	12,674	40,959,999	-	-	12,674	40,959,999	140,802	2,223,414,380	-	-	140,802	2,223,414,380	(128,128)	(2,182,454,381)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
78	Wai Family Gems Company Limited	Jade (KG)	466,266	2,093,873,048	-	-	466,266	2,093,873,048	5,330	70,760,999	-	-	5,330	70,760,999	460,936	2,023,112,049	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
79	Treasure Star Company Limited (Yadanar Kyal)	Jade (KG)	-	-	-	-	-	-	8,191	120,523,150	-	-	8,191	120,523,150	(8,191)	(120,523,150)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
80	YADANAR SIN THIRI GEMS COMPANY LIMITED	Jade (KG)	-	-	-	-	-	-	17,915	217,663,761	-	-	17,915	217,663,761	(17,915)	(217,663,761)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
81	Yadanar Taung Tann Gems Co.,Ltd.	Jade (KG)	-	-	70,791	38,364,416	70,791	38,364,416	62,230	92,939,341	-	-	62,230	92,939,341	8,561	(54,574,925)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
82	Yadanar Three Elephant Company	Jade (KG)	-	-	-	-	-	-	111,241	1,184,678,499	-	-	111,241	1,184,678,499	(111,241)	(1,184,678,499)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
83	Yar Zar Htar Ni Gems Co., Ltd	Jade (KG)	-	-	-	-	-	-	82,933	365,887,143	-	-	82,933	365,887,143	(82,933)	(365,887,143)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
84	Zebu Thiri Gems Co.,Ltd	Jade (KG)	-	-	-	-	-	-	2,933	61,892,555	-	-	2,933	61,892,555	(2,933)	(61,892,555)	
		Gems (Carat)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

The unreconciled differences for Gems and Jade Emporium MMK Sales volumes and value are due to the following:

- Participating Companies did not bring supporting documents to the reconciliation meeting which resulted in the amounts being left unreconciled.
- Government Agencies reported EURO sales on an accrual basis whilst Participating Companies reported on a cash basis.

3.4.4. Other Minerals Reconciliation

The following table presents the reconciliation of tax and non-tax payments (in cash) reported by extractive companies and receipts reported by Government Agencies, including the initial data from Reporting Templates prepared by the extractive companies and the Government Agencies, adjustments made during the reconciliation process, and the remaining final differences.

3.4.4.1. Other Minerals – By Company

No	Company	Per Company			Per Government			Final difference
		Initial	Adjustment	Final	Initial	Adjustment	Final	
1	Cornerstone Resources (Myanmar) Ltd.	5,054,594,337	(841,647,847)	4,212,946,490	4,139,138,875	73,807,616	4,212,946,490	-
2	Daewoo Precious Resources Co., Ltd	-	-	-	95,121,315	-	95,121,315	(95,121,315)
3	Eternal Mining Co., Ltd.	1,145,302,659	116,905,906	1,262,208,565	1,244,346,402	17,862,163	1,262,208,565	-
4	First Resources Co.,Ltd	561,997,384	455,083,962	1,017,081,345	991,753,194	25,320,820	1,017,074,014	7,331
5	Good Brother's Machinery Co., Ltd	19,657,352	989,492,253	1,009,149,605	1,229,204,370	(305,985,200)	923,219,170	85,930,435
6	Htoo International Industrial Group Co., Ltd.	422,883,770	294,051,000	716,934,770	696,863,314	20,071,456	716,934,770	-
7	Kan Baw Za Industrial Co., Ltd,	1,046,059,585	734,998,746	1,781,058,331	1,682,297,239	98,761,081	1,781,058,320	11
8	KayahIncountryMetalMining	192,084,061	99,335,700	291,419,761	291,419,761	-	291,419,761	-
9	Manadalay Golden Friend Mining Co., Ltd.	135,254,750	37,442,850	172,697,600	172,697,600	-	172,697,600	-
10	Mandalay Distribution and Mining Co., Ltd.	425,161,234	(96,911,250)	328,249,984	286,678,280	41,571,650	328,249,930	54
11	Max Myanmar Co., Group.	467,954,707	271,129,226	739,083,933	390,072,310	349,011,623	739,083,933	-
12	MOGE	3,178,650	-	3,178,650	7,137,106,269	(7,133,932,269)	3,174,000	4,650
13	Myanmar Economic Corporation	451,348,717	10,798,319,495	11,249,668,212	10,395,372,405	-	10,395,372,405	854,295,807
14	Myanmar Golden PointFamily	116,512,153	117,323,445	233,835,598	224,885,598	8,950,000	233,835,598	-
15	Myanmar Economic Holding Ltd.,	3,877,645,337	4,814,678,859	8,692,324,196	9,838,802,992	(147,083,618)	9,691,719,374	(999,395,178)
16	Myanmar Wanbo Copper Mining Co., Ltd.	1,204,218,542	(519,929,680)	684,288,863	1,631,021,174	(1,258,941,380)	372,079,794	312,209,068
17	Myanmar Yang Tse Copper Ltd.	4,334,200,391	2,205,604,237	6,539,804,628	10,157,194,520	(4,739,084,284)	5,418,110,236	1,121,694,392
18	Ngwe Kabar Myanmar Co., Ltd	15,776,160	23,310,300	39,086,460	39,086,460	-	39,086,460	-

19	Ngwe Yi Pale Mining Co., Ltd	519,741,634	49,709,968	569,451,602	486,910,302	82,541,300	569,451,602	-
20	NO.(1) HEAVY INDUSTRY	477,600	(102,685)	374,915	3,717,394,524	(3,614,827,650)	102,566,874	(102,191,959)
21	PYAE SONE AUNG CHAN	6,412,121	5,400,000	11,812,121	11,812,121	-	11,812,121	-
22	Sai Long Hein Mining Co., Ltd.	26,956,511	214,668,978	241,625,489	218,253,420	23,372,068	241,625,489	-
23	Shwe Taung Mining Co., Ltd.	1,281,282,547	(93,255,879)	1,188,026,668	1,189,200,511	(1,173,843)	1,188,026,668	-
24	Tha Byu Mining Co., Ltd	396,010,622	-	396,010,622	396,010,622	-	396,010,622	-
25	Than Taw Myat Co., Ltd	3,120,551,451	(613,332,860)	2,507,218,591	1,454,223,545	1,413,346,962	2,867,570,507	(360,351,916)
26	Thi Ha Thant Hein Mining Co., Ltd.	346,521,111	(27,118,117)	319,402,994	319,406,994	-	319,406,994	(4,000)
27	Top Ten Star Production Co.,Ltd.	36,417,170	377,850,071	414,267,241	401,732,491	12,534,750	414,267,241	-
28	Tun Thwin Mining Co., Ltd	386,275,962	16,085,367	402,361,329	402,361,329	-	402,361,329	-
29	Win Myint Mo Industries Co.,Ltd.	1,449,605,460	43,673,526	1,493,278,987	1,485,081,009	-	1,485,081,009	8,197,978
30	Wuntho Resources Co., Ltd	98,060,297	3,485,000	101,545,297	99,904,195	632,805	100,537,000	1,008,297
31	YCDC	261,504,150	-	261,504,150	354,958,636	1,947,000	356,905,636	(95,401,486)
Total payments		27,403,646,426	19,476,250,572	46,879,896,998	61,180,311,777	(15,031,296,950)	46,149,014,827	730,882,171

3.4.4.2. Other Minerals – By Revenue Stream

The following table presents the reconciliation of tax and non-tax payments (in-cash) by revenue streams, including the initial data from Reporting Templates prepared by the extractive companies and the Government Agencies, adjustments made during the reconciliation process, and the remaining final differences.

No	Description of payment	Per Company			Per Government			Final difference
		Initial	Adjustment	Final	Initial	Adjustment	Final	
MoPF-MCD		4,625,834,811	316,852,593	4,942,687,403	13,376,103,565	(6,941,065,252)	6,435,038,313	(1,492,350,910)
	Custom duty	1,270,970,907	60,570,945	1,331,541,851	4,114,072,087	(2,398,332,121)	1,715,739,966	(384,198,115)
	Commercial Tax on Imported Capital Equipment	2,931,632,476	349,537,545	3,281,170,021	9,262,031,478	(4,542,733,131)	4,719,298,347	(1,438,128,326)
	Commercial Tax on Imports on Raw Materials and Inventories	423,231,428	(93,255,897)	329,975,531	-	-	-	329,975,531
MoPF-Internal Revenue Department		10,528,333,572	18,398,808,982	28,927,142,554	28,599,051,672	(2,179,674,329)	26,419,377,343	2,507,765,211
	Corporate Income Tax	3,634,750,137	1,131,440,004	4,766,190,141	8,255,460,342	(3,489,272,569)	4,766,187,773	2,368
	Commercial Tax	5,404,177,752	13,155,770,773	18,559,948,525	16,034,053,969	1,459,475,053	17,493,529,022	1,066,419,503
	Stamp Duties	2,527,120	1,485,000	4,012,120	1,017,195	1,706,805	2,724,000	1,288,120
	Capital Gains Tax	0	221,294,749	221,294,749	221,294,749	-	221,294,749	-
	Withholding tax - Resident	1,238,886,580	2,067,555,407	3,306,441,987	2,257,393,767	(143,015,018)	2,114,378,749	1,192,063,238

	Withholding tax - Non-Resident	247,991,982	11,068,600	259,060,582	19,637,200	(8,568,600)	11,068,600	247,991,982
	Specific Goods Tax	-	1,810,194,450	1,810,194,450	1,810,194,450	-	1,810,194,450	-
	MONREC - Department of Mine	2,007,780,077	182,191,726	2,189,971,803	8,266,070,879	(5,967,529,823)	2,298,541,056	(108,569,253)
	Royalties	1,090,988,929	(135,993,518)	954,995,411	6,932,402,887	(5,992,864,823)	939,538,064	15,457,347
	Dead Rent Fees	916,389,148	318,553,244	1,234,942,392	1,333,625,992	25,335,000	1,358,960,992	(124,018,600)
	License Fees	402,000	(368,000)	34,000	42,000	-	42,000	(8,000)
	MONREC - DGSE	-	25,000	25,000	25,000	-	-	-
	Application Fees	-	25,000	25,000	25,000	-	25,000	-
	MONREC - Forest Department	513,452,700	70,957,750	584,410,450	675,257,441	-	-	(90,846,991)
	Land Rental Fee	510,152,700	74,257,750	584,410,450	675,257,441	-	675,257,441	(90,846,991)
	Environmental/Plantation Fee	3,300,000	(3,300,000)	-	-	-	-	-
	MONREC - ME1	9,722,245,266	478,668,821	10,200,914,087	10,233,557,520	52,472,455	10,286,029,974	(85,115,887)
	Production Split	9,310,765,266	314,548,734	9,625,314,000	9,695,241,738	16,832,150	9,712,073,888	(86,759,887)
	Application Fees	19,000,000	4,000,000	23,000,000	23,349,200	(349,200)	23,000,000	-
	Rental Fee	-	160,000,000	160,000,000	124,000,000	36,000,000	160,000,000	-
	Sale (Mill Tailing)	-	392,480,000	392,480,000	390,836,000	-	390,836,000	1,644,000
	Others	-	120,087	120,087	130,582	(10,495)	120,087	-
	Purchase of Minerals from ME-1	392,480,000	(392,480,000)	-	-	-	-	-
	MONREC - ME2	6,000,000	28,745,700	34,745,700	30,245,700	4,500,000	34,745,700	-
	Application Fees	6,000,000	4,500,000	10,500,000	6,000,000	4,500,000	10,500,000	-
	Other Fees (Penalty/Rental machineries)	-	24,245,700	24,245,700	24,245,700	-	24,245,700	-
	Total payments in cash	27,403,646,426	19,476,250,572	46,879,896,998	61,180,311,777	(15,031,296,950)	46,149,014,827	730,882,171

3.4.4.3. Unreconciled Differences

The unreconciled differences amounted to MMK 731 million which represents 1.6% of the sector which is below the final acceptable discrepancy threshold of 2% of the sector revenues reported by the Government Agencies/SOEs as set by MSG.

Reasons for differences		Minerals
A	Cut-off difference	-
B	Payments not reported by and absence of supporting documents from the participating entity	(2,152.3)
C	Receipts not reported by and absence of supporting documents from the government agencies	1,861.5
D	Non-participation by the companies	(95.1)
E	Exchange rate difference	-
F	Unreconciled due to other reasons	1,115.4
G	Immaterial difference individually less than MMK 5 Million	1.4
	Total Differences	730.9

Amounts in MMK million

B. Payments not reported by and absence of supporting documents from the participating entity

Companies	Commercial Tax on Imported Capital equipment, goods and services	Custom duty	Dead Rent Fees	Land Rental Fee	Production Split	Royalties	Grand Total
Myanmar Economic Corporation	(38,532,440)	(22,446,080)	(66,561,600)	-	(93,323,682)	(12,382,504)	(233,246,306)
Myanmar Economic Holding Ltd.,	(722,970,978)	(229,950,050)	-	(72,854,991)	-	-	(1,025,776,018)
Myanmar Yang Tse Copper Ltd.	-	(5,391,917)	-	-	-	-	(5,391,917)
NO.(1) HEAVY INDUSTRY	(55,838,351)	(46,353,608)	-	-	-	-	(102,191,959)
Than Taw Myat Co., Ltd	(576,279,166)	(114,048,281)	-	-	-	-	(690,327,447)
YCDC	(59,938,859)	(35,462,627)	-	-	-	-	(95,401,486)
Total	(1,453,559,794)	(453,652,563)	(66,561,600)	(72,854,991)	(93,323,682)	(12,382,504)	(2,152,335,133)

C. Receipts not reported by and absence of supporting documents from the government agencies

Companies	Commercial Tax on Imported Capital equipment, goods and services	Commercial Tax on Imports on Inventories	Custom duty	Production Split	Withholding tax - Non-Resident	Withholding tax - Resident	Total
Good Brother's Machinery Co., Ltd	17,789,063	-	68,141,373	-	-	-	85,930,435
Myanmar Wanbo Copper Mining Co., Ltd.	-	-	-	-	-	307,728,657	307,728,657
Myanmar Yang Tse Copper Ltd.	-	-	-	-	247,991,982	883,326,284	1,131,318,267
Than Taw Myat Co., Ltd	-	329,975,531	-	-	-	-	329,975,531
Win Myint Mo Industries Co.,Ltd.	-	-	-	6,563,794	-	-	6,563,794
Total	17,789,063	329,975,531	68,141,373	6,563,794	247,991,982	1,191,054,942	1,861,516,684

D. Non-participation by the companies

Companies	Commercial Tax	Dead Rent Fees	Land Rental Fee	License Fees	Total
Daewoo Precious Resources Co., Ltd	(21,127,315)	(56,000,000)	(17,992,000)	(2,000)	(95,121,315)
Total	(21,127,315)	(56,000,000)	(17,992,000)	(2,000)	(95,121,315)

Daewoo Precious Resources Co., Ltd was no longer operating in Myanmar.

F. Unreconciled due to other reasons

Companies	Commercial Tax	Royalties	Total
Myanmar Economic Corporation	1,087,542,114	-	1,087,542,114
Myanmar Economic Holding Ltd.,	-	27,839,840	27,839,840
Total	1,087,542,114	27,839,840	1,115,381,954

The differences are mainly related to commercial tax and royalties payments reported by MEC and MEHL respectively but not reported as receipts by the government agencies in FY2016-2017. These could not be reconciled as the companies were not able to provide supporting details for the payment amounts and dates.

3.4.4.4. Other Minerals – In-kind

The following table presents the reconciliation of non-tax payments (in-kind) by companies, including the initial data from Reporting Templates prepared by the extractive companies and the Government Agencies, adjustments made during the reconciliation process, and the remaining final differences

No	Company Name	Description of payment	In Kind Pay To	Per Company			Per Government			Final difference
				Initial	Adjustment	Final	Initial	Adjustment	Final	
Gold in Toz				3,652	4,320	7,971	4,078	3,895	7,973	(2)
1	Eternal Mining Co., Ltd.	Production Split (In Kind)	ME2	3,471	4,320	7,791	3,895	3,895	7,791	-
2	Myanmar Golden PointFamily	Production Split (In Kind)	ME2	144	-	144	144	-	144	-
3	Myanmar Economic Holding Ltd.,	Production Split (In Kind)	ME2	36	-	36	38	-	38	(2)
Tin, Tungsten & Scheelite Mixed in MT				67	-	67	-	-	-	67
1	KayahIncountryMetal Mining	Production Split (In Kind)	ME2	67	-	67	-	-	-	67
Tin in MT				1	-	1	1	-	1	-
1	Ngwe Kabar Myanmar Co., Ltd	Production Split (In Kind)	ME2	1	-	1	1	-	1	-
Bentonite in MT				176	(176)	-	-	-	-	-
1	MOGE	Production Split (In Kind)	ME1	176	(176)	-	-	-	-	-
Copper, Copper Cathode in MT				5,825	-	5,825	3,397	2,427	5,825	-
1	Myanmar Wanbo Copper Mining Co., Ltd.	Production Split (In Kind)	ME1	2,380	-	2,380	2,380	-	2,380	-
		Royalties (In Kind)	DOM	1,249	-	1,249	203	1,045	1,249	-
2	Myanmar Yang Tse Copper Ltd.	Royalties (In Kind)	DOM	2,196	-	2,196	814	1,382	2,196	-
3	Myanmar Economic Holding Ltd.,	Split Tax	ME1	-	-	-	959	-	959	(959)
Coal in MT				66,257	(66,257)	-	-	-	-	-
1	Shwe Taung Mining Co., Ltd.	Production Split (In Kind)	ME1	47,657	(47,657)	-	-	-	-	-

2	Thi Ha Thant Hein Mining Co., Ltd.	Production Split (In Kind)	ME1	18,600	(18,600)	-	-	-		
Limestone in MT				375,491	(375,491)	-	-	-	-	-
1	Than Taw Myat Co., Ltd	Production Split (In Kind)	ME1	375,491	(375,491)	-	-	-		
Dolomite in MT				216,104	(216,104)	-	-	-	-	-
1	Shwe Taung Mining Co., Ltd.	Production Split (In Kind)	ME1	216,104	(216,104)	-	-	-	-	-

The above unreconciled differences in-kind were due to the in-kind paid / received documents not declared by either participating entities or government agency.

Company	Minerals	Volume	Unit
Myanmar Economic Holding Ltd.,	Gold	(2)	Toz
	Copper, Copper Cathode	(959)	MT
KayahIncountry Metal Mining	Tin, Tungsten & Scheelite Mixed in MT	67	MT
Total discrepancies	Gold	(2)	Toz
	Copper, Copper Cathode	(959)	MT
	Tin, Tungsten & Scheelite Mixed	67	MT

3.4.4.5. Other Minerals – Production

The table below shows the differences between the export volume and value reported by the minerals companies and ME1 and ME2, by mineral type.

Companies	Minerals Type	Per Company		Per MONREC (ME1,ME2)		Difference	
		Volume	Unit	Volume	Unit	Volume	Unit
Cornerstone Resources (Myanmar) Ltd.	<i>Zinc Ore</i>	65,000	MT	70,000	MT	(5,000)	MT
Daewoo Precious Resources Co., Ltd	<i>N/A</i>	-	-	-	-	-	-
Eternal Mining Co., Ltd.	<i>Gold</i>	9,890	Toz	9,606	Toz	284	Toz
First Resources Co.,Ltd	<i>Gypsum</i>	215,948	MT	212,076	MT	3,872	MT
Good Brother's Machinery Co., Ltd	<i>Lime Stone</i>	2,640	MT	2,640	MT	-	MT
Htoo International Industrial Group Co., Ltd.	<i>Coal</i>	28,000	MT	28,000	MT	-	MT
Kan Baw Za Industrial Co., Ltd,	<i>Lime Stone</i>	395,797	MT	395,797	MT	-	MT
	<i>Gypsum</i>	2,100	MT	2,100	MT	-	MT
KayahIncountryMetalMining	<i>Tin, Tungsten & Mixed Ore</i>	423	MT	223	MT	200	MT
Manadaly Golden Friend Mining Co., Ltd.	<i>Coal</i>	17,700	MT	17,700	MT	-	MT
Mandalay Distribution and Mining Co., Ltd.	<i>Coal</i>	44,066	MT	30,388	MT	13,678	MT
Max Myanmar Co., Group.	<i>Coal</i>	50,096	MT	50,096	MT	-	MT

Companies	Minerals Type	Per Company		Per MONREC (ME1,ME2)		Difference	
		Volume	Unit	Volume	Unit	Volume	Unit
	<i>LimeStone</i>	45,240	MT	47,875	MT	(2,635)	MT
MOGE	<i>Bentonite</i>	600	MT	-	-	600	MT
Myanmar Economic Corporation	<i>Marble Decorative</i>	422	MT	422	MT	-	MT
	<i>Gypsum</i>	86,764	MT	87,256	MT	(492)	MT
	<i>LimeStone</i>	505,283	MT	568,037	MT	(62,754)	MT
	<i>Clay</i>	70,684	MT	74,834	MT	(4,150)	MT
Myanmar Golden PointFamily	<i>Gold</i>	355	Toz	355	Toz	-	Toz
Myanmar Economic Holding Ltd.,	<i>Coal</i>	32,000	MT	32,000	MT	-	MT
	<i>Lime Stone</i>	211,230	MT	211,230	MT	-	MT
	<i>Copper</i>	5,695	MT	-	MT	5,695	MT
	<i>Bauxite</i>	4,010	MT	4,010	MT	-	MT
	<i>Gold</i>	-	-	76	Toz	(76)	Toz
Myanmar Wanbo Copper Mining Co., Ltd.	<i>Copper Cathode</i>	31,213	-	30,858	MT	355	MT
Myanmar Yang Tse Copper Ltd.	<i>Copper Cathode</i>	54,900	MT	-	-	54,900	MT
Ngwe Kabar Myanmar Co., Ltd	<i>Tin</i>	4	MT	4	MT	-	MT
Ngwe Yi Pale Mining Co., Ltd	<i>limestone</i>	633,782	MT	633,782	MT	-	MT
	<i>Gypsum</i>	6,496	MT	6,496	MT	-	MT
	<i>Bauxite</i>	2,421	MT	2,421	MT	-	MT
	<i>Coal</i>	67,354	MT	81,131	MT	(13,777)	MT
NO.(1) HEAVY INDUSTRY	<i>N/A</i>	-	-	-	-	-	-
PYAE SONE AUNG CHAN	<i>N/A</i>	-	-	-	-	-	-
Sai Long Hein Mining Co., Ltd.	<i>Manganese Dioxide</i>	75	MT	75	MT	-	MT
Shwe Taung Mining Co., Ltd.	<i>Coal</i>	44,410	MT	44,410	MT	-	MT
	<i>Lime Stone</i>	731,600	MT	731,600	MT	-	MT
Tha Byu Mining Co., Ltd	<i>Antimoni Ore</i>	680	MT	640	MT	40	MT
	<i>Antimoni Ore Concentrate</i>	225	MT	265	MT	(40)	MT
Than Taw Myat Co., Ltd	<i>Lime Stone</i>	1,177,887	MT	1,177,887	MT	-	MT
Thi Ha Thant Hein Mining Co., Ltd.	<i>Coal</i>	18,600	MT	18,600	MT	-	MT
Top Ten Star Production Co.,Ltd.	<i>Lead</i>	3,923	MT	870	MT	3,053	MT
	<i>Lead Ore</i>	-	-	3,053	MT	(3,053)	MT

Companies	Minerals Type	Per Company		Per MONREC (ME1,ME2)		Difference	
		Volume	Unit	Volume	Unit	Volume	Unit
Tun Thwin Mining Co., Ltd	<i>Coal</i>	25,462	MT	25,581	MT	(119)	MT
Win Myint Mo Industries Co.,Ltd.	<i>Zinc</i>	864	MT	754	MT	110	MT
	<i>Mixed Concentrate</i>	1,828	MT	-	-	1,828	MT
	<i>OxPb Concentrate</i>	30	MT	-	-	30	MT
	<i>Pbs Concentrate</i>	4	MT	-	-	4	MT
	<i>Lead</i>	1,830	MT	1,830	MT	-	MT
Wuntho Resources Co., Ltd	<i>N/A</i>	-	-	-	-	-	-
YCDC	<i>Coal</i>	19,500	MT	19,500	MT	-	MT

3.4.4.6. Other Minerals – Exports

The table below shows the final differences between the other minerals exports reported by extractive companies and ME1 and ME2.

Companies	Minerals Type	Per Company				Per MONREC (ME1,ME2)				Difference		
		Volume	Unit	Value	Currency	Volume	Unit	Value	Currency	Volume	Value	Currency
Cornerstone Resources (Myanmar) Ltd.	Zinc Ingot	5,499	MT	11,040,270	USD	8,820	MT	18,298,840	USD	(3,321)	(7,258,570)	USD
Daewoo Precious Resources Co., Ltd	N/A	-	-	-	-	-	-	-	-	-	-	-
Eternal Mining Co., Ltd.	N/A	-	-	-	-	-	-	-	-	-	-	-
First Resources Co.,Ltd	N/A	-	-	-	-	-	-	-	-	-	-	-
Good Brother's Machinery Co., Ltd	Marbel (Decorative)	300	MT	25,500	USD	300	MT	25,500	USD	-	-	USD
Htoo International Industrial Group Co., Ltd.	N/A	-	-	-	-	-	-	-	-	-	-	-
Kan Baw Za Industrial Co., Ltd,	N/A	-	-	-	-	-	-	-	-	-	-	-
KayahIncountryMetalMining	Tin, Tungsten & Mixed Ore	158	MT	1,410,627	USD	-	-	-	-	158	1,410,627	USD
Manadaly Golden Friend Mining Co., Ltd.	N/A	-	-	-	-	-	-	-	-	-	-	-
Mandalay Distribution and Mining Co., Ltd.	N/A	-	-	-	-	-	-	-	-	-	-	-
Max Myanmar Co., Group.	N/A	-	-	-	-	-	-	-	-	-	-	-
MOGE	N/A	-	-	-	-	-	-	-	-	-	-	-
Myanmar Economic Corporation	Marble Stone	422	MT	-	-	302	MT	181,375	USD	120	(181,375)	USD
Myanmar Golden PointFamily	N/A	-	-	-	-	-	-	-	-	-	-	-
Myanmar Economic Holding Ltd.,	N/A	-	-	-	-	-	-	-	-	-	-	-
Myanmar Wanbo Copper Mining Co., Ltd.	Copper Cathode	18,200	MT	83,703,200	USD	22,000	MT	108,920,000	USD	(3,800)	(25,216,800)	USD
Myanmar Yang Tse Copper Ltd.	Copper Cathode	45,042	MT	213,046,561	USD	37,825	MT	180,367,613	USD	7,217	32,678,948	USD
Ngwe Kabar Myanmar Co., Ltd	Tin	3	MT	21,907,200	MMK	-	-	-	-	3	21,907,200	MMK
Ngwe Yi Pale Mining Co., Ltd	N/A	-	-	-	-	-	-	-	-	-	-	-
NO.(1) HEAVY INDUSTRY	N/A	-	-	-	-	-	-	-	-	-	-	-
PYAE SONE AUNG CHAN	N/A	-	-	-	-	-	-	-	-	-	-	-
Sai Long Hein Mining Co., Ltd.	Manganese Dioxide	12,000	MT	276,000	USD	22,000	MT	506,000	USD	(10,000)	(230,000)	USD
Shwe Taung Mining Co., Ltd.	Lead Ore	-	-	-	-	200	MT	28,800	USD	(200)	(28,800)	USD
Tha Byu Mining Co., Ltd	Anitimony Ore	700	MT	533,000	USD	700	MT	533,000	USD	-	-	USD
	Anitimony Concentrate	150	MT	241,350	USD	240	MT	379,050	USD	(90)	(137,700)	USD
Than Taw Myat Co., Ltd	N/A	-	-	-	-	-	-	-	-	-	-	-
Thi Ha Thant Hein Mining Co., Ltd.	N/A	-	-	-	-	-	-	-	-	-	-	-
Top Ten Star Production Co.,Ltd.	Lead Concentrate	5,573	MT	939,001	USD	555	MT	196,958	USD	5,018	742,043	USD
	Lead Ore	-	-	-	-	2,141	MT	308,618	USD	(2,141)	(308,618)	USD

Tun Thwin Mining Co., Ltd	N/A	-	-	-	-	-	-	-	-	-	-	-
Win Myint Mo Industries Co.,Ltd.	Lead Concentrate	800	MT	271,496,629	MMK	1,500	MT	467,900	USD	(700)	271,028,729	MMK
											467,900	USD
	Zinc Concentrate	1,700	MT	541,976,809	MMK	700	MT	219,900	USD	1,000	541,756,909	MMK
											219,900	USD
Wuntho Resources Co., Ltd	N/A	-	-	-	-	-	-	-	-	-	-	-
YCDC	N/A	-	-	-	-	-	-	-	-	-	-	-

The unreconciled differences for other minerals Exports are due to the following:

- Participating Companies did not have available supporting documents at the reconciliation meeting which resulted in the amounts being left unreconciled.

3.4.4.7. Other Minerals – Domestic Sales

The below table shows the details of the domestic/local sales reported by Minerals companies and MONREC (ME1 & ME2).

Companies	Minerals Type	Per Company				Per MONREC (ME1,ME2)				Difference		
		Volume	Unit	Value	Currency	Volume	Unit	Value	Currency	Volume	Value	Currency
Cornerstone Resources (Myanmar) Ltd.	Zinc Ingot	1,515	MT	3,821,680,835	MMK	-	-	-	-	1,515	3,821,680,834.58	MMK
Daewoo Precious Resources Co., Ltd	N/A	-	-	-	-	-	-	-	-	-	-	-
Eternal Mining Co., Ltd.	Gold	5,995	Toz	9,452,821,500	MMK	-	-	-	-	5994.87327	9,452,821,500.00	MMK
First Resources Co.,Ltd	Gypsum	191,416	MT	3,292,991,000	MMK	-	-	-	-	191416	3,292,991,000.00	MMK
Good Brother's Machinery Co., Ltd	N/A	-	-	-	-	-	-	-	-	-	-	-
Htoo International Industrial Group Co., Ltd.	Coal	28,000	MT	1,680,000,000	MMK	-	-	-	-	28000	1,680,000,000.00	MMK
Kan Baw Za Industrial Co., Ltd,	N/A	-	-	-	-	-	-	-	-	-	-	-
KayahIncountryMetalMining	N/A	-	-	-	-	-	-	-	-	-	-	-
Manadaly Golden Friend Mining Co., Ltd.	Coal	15,789	MT	868,395,000	MMK	-	-	-	-	15789	868,395,000.00	MMK
Mandalay Distribution and Mining Co., Ltd.	Coal	39,090	MT	851,084,000	MMK	-	-	-	-	39090	851,084,000.00	MMK
Max Myanmar Co., Group.	N/A	-	-	-	-	-	-	-	-	-	-	-
MOGE	N/A	-	-	-	-	-	-	-	-	-	-	-
Myanmar Economic Corporation	N/A	-	-	-	-	-	-	-	-	-	-	-
Myanmar Golden PointFamily	Gold	210	Toz	303,061,570	MMK	-	-	-	-	210.44	303,061,570.00	MMK
Myanmar Economic Holding Ltd.,	N/A	-	-	-	-	-	-	-	-	0	-	-
Myanmar Wanbo Copper Mining Co., Ltd.	Cathod Copper	18,200	MT	83,703,200	USD	-	-	-	-	18200	83,703,200.00	USD
Myanmar Yang Tse Copper Ltd.	N/A	-	-	-	-	-	-	-	-	-	-	-

Companies	Minerals Type	Per Company				Per MONREC (ME1,ME2)				Difference		
		Volume	Unit	Value	Currency	Volume	Unit	Value	Currency	Volume	Value	Currency
Ngwe Kabar Myanmar Co., Ltd	N/A	-	-	-	-	-	-	-	-	-	-	-
Ngwe Yi Pale Mining Co., Ltd	limestone	383,865	MT	1,338,892,430	MMK	-	-	-	-	383865	1,338,892,429.53	MMK
	Gypsum	5,967	MT	111,958,702	MMK	-	-	-	-	5967	111,958,701.66	MMK
	Bauxite	2,281	MT	27,158,567	MMK	-	-	-	-	2281	27,158,566.83	MMK
	Coal	53,847	MT	363,577,893	MMK	-	-	-	-	53847	363,577,893.00	MMK
NO.(1) HEAVY INDUSTRY	N/A	-	-	-	-	-	-	-	-	-	-	-
PYAE SONE AUNG CHAN	N/A	-	-	-	-	-	-	-	-	-	-	-
Sai Long Hein Mining Co., Ltd.	N/A	-	-	-	-	-	-	-	-	-	-	-
Shwe Taung Mining Co., Ltd.	Coal	66,441	MT	3,488,154,600	MMK	-	-	-	-	66441.04	3,488,154,600.00	MMK
	Dolomite	731,600	MT	76,818,000	MMK	-	-	-	-	731600	76,818,000.00	MMK
Tha Byu Mining Co., Ltd	N/A	-	-	-	-	-	-	-	-	-	-	-
Than Taw Myat Co., Ltd	N/A	-	-	-	-	-	-	-	-	-	-	-
Thi Ha Thant Hein Mining Co., Ltd.	Coal	21,087	MT	1,159,806,450	MMK	-	-	-	-	21087.39	1,159,806,450.00	MMK
Top Ten Star Production Co.,Ltd.	N/A	-	-	-	-	-	-	-	-	-	-	-
Tun Thwin Mining Co., Ltd	Coal	25,462	MT	789,322,000	MMK	-	-	-	-	25462	789,322,000.00	MMK
Win Myint Mo Industries Co.,Ltd.	N/A	-	-	-	-	-	-	-	-	-	-	-
Wuntho Resources Co., Ltd	N/A	-	-	-	-	-	-	-	-	-	-	-
YCDC	N/A	-	-	-	-	-	-	-	-	-	-	-

The unreconciled difference arose as the government agency MONREC did not keep the records or collect the data for domestic sales.

3.4.5. Pearl Reconciliation

The following table presents the reconciliation of tax and non-tax payments (in cash) reported by extractive companies and receipts reported by Government Agencies, including the initial data from Reporting Templates prepared by the extractive companies and the Government Agencies, adjustments made during the reconciliation process, and the remaining final differences.

3.4.5.1. Pearl – By Company

No	Company	Per Company			Per Government			Final difference
		Initial	Adjustment	Final	Initial	Adjustment	Final	
1	Annawar Pearl Company Limited	17,488,000	120,000	17,608,000	17,608,000	-	17,608,000	-
2	Aquagold Myanmar Co.,Ltd	34,293,000	-	34,293,000	34,293,000	-	34,293,000	-
3	Belpearl Myanmar Co.,Ltd	6,194,690	-	6,194,690	6,194,690	-	6,194,690	-
4	Myanmar Andman Co., Ltd	67,222,529	(22,138,529)	45,084,000	45,084,000	-	45,084,000	-
5	Myanmar Atlantic Co., Ltd	228,606,989	-	228,606,989	228,606,989	-	228,606,989	-
6	Myanmar Tasaki Co., Ltd	621,340,445	-	621,340,445	154,000	617,772,851	617,926,851	3,413,594
7	Niino Pearl Culturing Co., Ltd	251,869,741	20,000,000	271,869,741	200,718,000	71,151,741	271,869,741	-
8	Orient Pearl Co., Ltd (Jalan)	82,680,000	-	82,680,000	82,680,000	-	82,680,000	-
9	Orient Pearl Co., Ltd (Zinyaw)	610,653,412	(2,880,000)	607,773,412	50,109,200	557,664,212	607,773,412	-
10	Pyae Phyo Tun Co., Ltd	-	-	-	-	-	-	-
11	Pyae Sone Htet Myint Co.,Ltd	-	-	-	-	-	-	-
Total payments		1,920,348,806	(4,898,529)	1,915,450,277	665,447,879	1,246,588,804	1,912,036,683	3,413,594

3.4.5.2. Pearl – By Revenue Stream

The following table presents the reconciliation of tax and non-tax payments (in-cash) by revenue streams, including the initial data from Reporting Templates prepared by the extractive companies and the Government Agencies, adjustments made during the reconciliation process, and the remaining final differences.

No		Description of payment	Per Company			Per Government			Final difference
			Initial	Adjust	Final	Initial	Adjust	Final	
		MoPF-MCD		-		-			-
			43,316,472		43,316,472		43,316,472	43,316,472	
1	Custom Duty		23,971,274	-	23,971,274	-	23,971,274	23,971,274	-
2	Commercial Tax on Imported Capital Equipment		19,345,198	-	19,345,198	-	19,345,198	19,345,198	-
3	Commercial Tax on Imports on Raw Materials and Inventories		-	-	-	-	-	-	-
		MoPF-Internal Revenue Department	1,036,975,334	(5,138,529)	1,031,836,805	273,604,679	754,818,532	1,028,423,211	3,413,594

4	Corporate Income Tax	958,280,266	(2,143,086)	956,137,180	201,820,688	754,316,492	956,137,180	-
5	Commercial Tax	71,750,784	(2,995,443)	68,755,341	68,253,301	502,040	68,755,341	-
6	Stamp Duties	4,032,290	-	4,032,290	3,530,690	-	3,530,690	501,600
7	Capital Gains Tax	-	-	-	-	-	-	-
8	Withholding tax - Resident	-	-	-	-	-	-	-
9	Withholding tax - Non-Resident	2,880,203	-	2,880,203	-	-	-	2,880,203
10	Specific Goods Tax	31,791	-	31,791	-	-	-	31,791
MONREC - Department of Mine		801,832,000	17,488,000	819,320,000	370,866,200	448,453,800	819,320,000	-
12	Royalties (Seeding Tax - for local companies only)	801,832,000	17,488,000	819,320,000	370,866,200	448,453,800	819,320,000	-
MONREC - Myanma Pearl Enterprise		38,225,000	(17,248,000)	20,977,000	20,977,000	-	20,977,000	-
13	License Fee (One time fee)	-	-	-	-	-	-	-
14	Other Fees	18,225,000	(17,248,000)	977,000	977,000	-	977,000	-
15	Lease of buildings	20,000,000	-	20,000,000	20,000,000	-	20,000,000	-
16	Penalty Fees	-	-	-	-	-	-	-
Total payments in cash		1,920,348,806	(4,898,529)	1,915,450,277	665,447,879	1,246,588,804	1,912,036,683	3,413,594

3.4.5.3. Unreconciled Difference

The unreconciled differences amounted to MMK 3 million which represents 0.2% of the sector which is below the final acceptable discrepancy threshold of 2% of the sector revenues reported by the Government Agencies/SOEs as set by MSG.

Reasons for differences		Pearl
A	Cut-off difference	-
B	Payments not reported by and absence of supporting documents from the participating entity	-
C	Receipts not reported by and absence of supporting documents from the government agencies	-
D	Non-participation by the companies	-
E	Exchange rate difference	-
F	Unreconciled due to other reasons	-
G	Immaterial difference individually less than MMK 5 Million	3.4
Total Differences		3.4

Amount in MMK million

3.4.5.4. Pearl – In-Kind

The following table presents the reconciliation of non-tax payments (in-kind) by companies, including the initial data from Reporting Templates prepared by the extractive companies and the Government Agencies, adjustments made during the reconciliation process, and the remaining final differences.

No	Description of payment	Per Company			Per Government			Final difference
		Initial	Adjust	Final	Initial	Adjust	Final	
	In Momme	71658.46	-	71,658	71,659	-	71,658	
1	State production entitlement (25% from foreign companies)	71658.46	-	71,658	71,659	-	71,658	

3.4.5.5. Pearl – Production

The table below shows the differences between the production reported by Pearls companies and MPE.

Companies	Initial		Per Company Adjustment		Final		Initial		Per MPE Adjustment		Final		Final difference	
	Numbers of Pearl	Weight (Momme)	Numbers of Pearl	Weight (Momme)	Numbers of Pearl	Weight (Momme)	Numbers of Pearl	Weight (Momme)	Numbers of Pearl	Weight (Momme)	Numbers of Pearl	Weight (Momme)	Numbers of Pearl	Weight (Momme)
Annawar Pearl Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aquagold Myanmar Co.,Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Belpearl Myanmar Co.,Ltd	9,429	5,290	-	-	9,429	5,290	-	1,323	9,429	3,968	9,429	5,290	-	-
Myanmar Andman Co., Ltd	109,085	62,349	-	-	109,085	62,349	-	15,587	109,085	46,762	109,085	62,349	-	-
Myanmar Atlantic Co., Ltd	91,316	49,468	-	-	91,316	49,468	22,829	12,367	68,487	37,101	91,316	49,468	-	-
Myanmar Tasaki Co., Ltd	233,330	169,528	-	-	233,330	169,528	-	42,382	233,330	127,146	233,330	169,528	-	-
Niino Pearl Culturing Co., Ltd	46,321	32,709	-	-	46,321	32,709	-	-	46,321	32,709	46,321	32,709	-	-
Orient Pearl Co., Ltd (Jalan)	13,174	7,840	-	-	13,174	7,840	-	-	13,174	7,840	13,174	7,840	-	-
Orient Pearl Co., Ltd (Zinyaw)	119,435	77,643	-	-	119,435	77,643	-	-	119,435	77,643	119,435	77,643	-	-
Pyae Phyto Tun Co., Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pyae Sone Htet Myint Co.,Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	622,090	404,827	-	-	622,090	404,827	22,829	71,659	599,261	333,168	622,090	404,827	-	-

SOE	Per MPE	
	Numbers of Pearl	Weight (Momme)
Myanmar Pearl Enterprise	130736	107507.58

3.4.5.6. Pearl – Exports

The table below shows the details of the exports reported by Pearls companies and MPE.

Companies	Per Company			
	Initial			
	Volume	Unit	Value	Currency
Annawar Pearl Company Limited	-	-	-	-
Aquagold Myanmar Co.,Ltd	-	-	-	-
Belppearl Myanmar Co.,Ltd	3,968	momme	182,808	USD
Myanmar Andman Co., Ltd	-	-	-	-
Myanmar Atlantic Co., Ltd	16,069	momme	990,316	USD
Myanmar Tasaki Co., Ltd	127,146	momme	6,343,128	USD
Niino Pearl Culturing Co., Ltd	13,562	momme	1,474,313	USD
Orient Pearl Co., Ltd (Jalan)	7,840	momme	404,846	USD
Orient Pearl Co., Ltd (Zinyaw)	77,643	momme	3,429,763	USD
Pyae Phyo Tun Co., Ltd	-	-	-	-
Pyae Sone Htet Myint Co.,Ltd	-	-	-	-
Total	246,228	momme	12,825,174	USD
SOE	Per SOE			
	Volume	Unit	Value	Currency
Myanmar Pearl Enterprise	51,143	momme	8,080,759	USD
Total	51,143	momme	8,080,759	USD

MPE did not provide data for reconciliation as MPE did not keep such data.

3.4.5.7. Pearl – Domestic Sales

The below table shows the details of the domestic/local sales reported by Pearls companies and MPE.

Companies	Per Company			
	Volume	Initial Unit	Value	Currency
Annawar Pearl Company Limited	-	-	-	-
Aquagold Myanmar Co.,Ltd	-	-	-	-
Belpearl Myanmar Co.,Ltd	-	-	-	-
Myanmar Andman Co., Ltd	8,015	momme	759,908,853	MMK
Myanmar Atlantic Co., Ltd	19,647	momme	503,843	USD
Myanmar Pearl Enterprise	-	-	-	-
Myanmar Tasaki Co., Ltd	-	-	-	-
Niino Pearl Culturing Co., Ltd	-	-	-	-
Orient Pearl Co., Ltd (Jalan)	-	-	-	-
Orient Pearl Co., Ltd (Zinyaw)	-	-	-	-
Pyae Phyo Tun Co., Ltd	-	-	-	-
Pyae Sone Htet Myint Co.,Ltd	-	-	-	-
Total MMK	8,015	momme	759,908,853	MMK
Total USD	19,647	momme	503,843	USD
SOE	Per SOE			
	Volume	Unit	Value	Currency
Myanmar Pearl Enterprise	67,165	momme	2,121,653,941	MMK
	52,309	momme	2,630,784	EURO
Total MMK	67,165	momme	2,121,653,941	MMK
Total EURO	52,309	momme	2,630,784	EURO

3.4.6. Downstream Reporting by MOGE

The table below set out the unilateral reporting for payments received from the selected downstream companies as reported by MOGE for FY 2016-17 according to the type of commodity in the Downstream sector.

	Company	Type of Product	Unit	Volume Sold	Revenue received	Currency	Equivalent in MMK
1	Ywar Ma Gas Turbine	Gas	MMBTU	7,682,934	57,622,002	USD	70,441,066,950
2	Ywar Ma Gas Turbine (EGAT)	Gas	MMBTU	8,112,590	60,844,428	USD	74,698,319,862
3	Tharketa Gas Turbine	Gas	MMBTU	5,853,725	43,902,935	USD	53,773,458,380
4	Alone Gas Turbine	Gas	MMBTU	11,049,641	82,872,306	USD	100,417,536,745
5	Hlawkar Gas Turbine	Gas	MMBTU	9,842,301	73,817,257	USD	90,075,865,347
6	Mawlamyaing Gas Turbine	Gas	MMBTU	9,878,573	74,089,299	USD	89,705,083,547
7	Kyauk Phyu Gas Turbine	Gas	MMBTU	5,918,145	45,685,694	USD	57,069,244,850
8	Kyaukse GEG	Gas	MMBTU	7,298,633	66,942,872	USD	81,116,542,450
9	Myingyan GEG	Gas	MMBTU	15,840,278	139,789,125	USD	169,476,073,594
10	Thanlyin Refinery	Off Shore Gas	MMBTU	235,628	1,767,213	USD	2,131,821,039
11	Chauk Refinery	On Shore Gas	MMSCF	263	525,712,000	MMK	525,712,000
12	Thanbayarkan Refinery	On Shore Gas	MMSCF	347	693,035,800	MMK	693,035,800
13	Yangon Copper & Metal Wire Factory	Gas	MMBTU	41,637	292,283	USD	352,646,160
14	Ve Ve Soft Drink	Gas	MMBTU	61,369	431,017	USD	521,194,358
15	Max Myanmar Cement	Gas	MMBTU	58,365	490,754	USD	596,265,964
						Total	791,593,867,046

The MOGE sales of oil and gas production by buying companies with volume sold is set out in Appendix 24.

3.4.7. Transfers from SOEs to Government Reconciliation

The following table sets out the reconciliation transfers from SOEs to the government reported by SOEs, and receipts reported by the recipient government agencies, including the initial data from Reporting Templates prepared by the SOEs and the other government agencies, adjustments made during the reconciliation process, and the remaining final differences.

	Per SOE			Per Government			Final difference
	Initial	Adjust	Final	Initial	Adjust	Final	
MOGE	1,974,806,338,139	(27,984,128,644)	1,946,822,209,495	2,023,507,654,480	(76,688,898,961)	1,946,818,755,519	3,453,976
Transfer to MOPF	781,379,253,703	(30,939,178,634)	750,440,075,069	827,125,499,561	(76,688,898,961)	750,436,600,599	3,474,470
Transfer to OGPD	445,987,874,639	2,955,049,989	448,942,924,629	448,942,944,920	-	448,942,944,920	(20,291)
Transfer to UFA (OA)	747,439,209,797	-	747,439,209,797	747,439,210,000	-	747,439,210,000	(203)
MGE	119,781,300,841	569,649,151	120,350,949,993	120,350,848,562	11,431	120,350,859,993	90,000
Transfer to MOPF	70,461,699,841	(266,704,849)	70,194,994,993	70,194,893,562	11,431	70,194,904,993	90,000
Transfer to DOM	-	-	-	-	-	-	-
Transfer to UFA (OA)	49,319,601,000	836,354,000	50,155,955,000	50,155,955,000	-	50,155,955,000	-
ME1	9,613,671,451	1,846,997,706	11,460,669,157	11,460,608,000	-	11,460,608,000	61,157
Transfer to MOPF	3,192,240,400	-	3,192,240,400	3,192,179,000	-	3,192,179,000	61,400
Transfer to UFA (OA)	6,421,431,051	1,846,997,706	8,268,428,757	8,268,429,000	-	8,268,429,000	(243)
ME2	23,396,526,495	722,053,974	24,118,580,469	24,118,515,775	(306)	24,118,515,469	65,000
Transfer to MOPF	15,250,975,541	(194,725)	15,250,780,815	15,250,715,815	-	15,250,715,815	65,000
Transfer to DOM	1,346,830,960	-	1,346,830,960	1,346,830,960	-	1,346,830,960	-
Transfer to UFA (OA)	6,798,719,995	722,248,699	7,520,968,694	7,520,969,000	(306)	7,520,968,694	-
MPE	8,827,210,733	5,788,524,259	14,615,734,992	14,921,490,265	(305,820,736)	14,615,669,529	65,463
Transfer to MOPF	8,827,210,733	222,066,796	9,049,277,529	9,355,033,265	(305,820,736)	9,049,212,529	65,000
Transfer to UFA (OA)	-	5,566,457,463	5,566,457,463	5,566,457,000	-	5,566,457,000	463

3.5. Other Information

3.5.1. Production and Exports/Sold Declared by SOEs

SOEs were asked to report production for the Fiscal Year 2016-2017. The production reported is shown in Appendix 6. For Oil & Gas and Pearl the estimate of the production value was calculated based export values provided by the companies. Aggregated figures as declared by SOEs are detailed in the table below.

	Type	Production			Exports/sold		
		Volume	Unit	Amount (In million MMK)	Volume	Unit	Amount (In million MMK)
Oil and Gas							
	Crude Oil	1,384,409	Barrels	-	-	-	
	Condensate	1,793,798	Barrels	1,051,665	Barrels	52	
	Natural Gas	653,519	MMSCF	522,210	MMSCF	2,590	
Minerals							
	Antimony Concentrate	425	MT	213	1,080	MT	2,906
	Antimony Ore	2,780	MT	973	1,138	MT	838
	Baronite	600	MT	5	-	-	-
	Barite	3,215	MT	39	-	-	-
	Barite Powder	1,252	MT	125	-	-	-
	Bauxite	8,791	MT	70	-	-	-
	Cathode Copper	30,858	MT	92,573	59,825	MT	363,635
	Chromium Ore	750	MT	60	-	-	-
	Clay	75,934	MT	87	-	-	-
	Coal	549,838	MT	8,520	-	-	-
	Copper Ore	8,616	MT	431	4,455	MT	170
	Dolomite	2,200	MT	10	-	-	-
	Ferro Nickel	64,462	MT	275,769	37,089	MT	460,536
	Fire Clay	3,000	MT	42	-	-	-
	Granite	305	MT	5	-	-	-
	Gypsum	338,489	MT	4,062	-	-	-
	Iron Ore	8,405	MT	588	2,500	MT	194
	Lead Concentrate	2,850	MT	228	2,150	MT	889
	Lead Ore	20,322	MT	1,219	18,200	MT	2,844
	Limestone	6,002,241	MT	7,193	300	MT	32
	Limestone(decorative)	3,990	MT	251	-		
	Manganese	1,870	MT	57	51,882	MT	1,477
	Marble	9,380	MT	350	302	MT	228
	Ochre	7,860	MT	51	-	-	-
	Petrified Wood	-	-	-	133	MT	892

	Type	Production			Exports/sold		
		Volume	Unit	Amount (In million MMK)	Volume	Unit	Amount (In million MMK)
	Quartz	5,700	MT	80	15,455	MT	288
	Zinc Concentrate	754	MT	113	4,900	MT	2,501
	Zinc Ingot	-	-	-	8,820	MT	23,002
	Zinc Ore	72,640	MT	5,811	11,415	MT	1,277
	Tin	405	MT	2,511	-	-	-
	Tungsten	3	MT	36	-	-	-
	Tin Tungsten Mixed	519	MT	3,728	-	-	-
	Tin Tungsten Scheelite Mixed	297	MT	2,233	-	-	-
	Gold	46,482	Toz	60,631	-	-	-
Gems and Jade	Rough Ruby	2,665,361	carat				
		104	Kg	789			
	Rough Sapphire	4,176,887	carat	499			
		5,982	Kg				
	Rough Assorted	2,838,395	carat	291	41,294 265	Carat KG	1,525 2,089
		24,093	Kg				
	Rough Peridot	351,158	carat	63			
		26	Kg				
	Rough (Topaz/Quartz)	115,250	carat	9			
		1,471	Kg				
	Jade	34,654,993	Kg	105,563	1,325,787	KG	574,717
Pearl	Pearl	404,827	momme	22,929			
		107,508	momme	Not available	297,371	momme	28,816

3.5.2. Government Receipts from Companies not Selected in the Reconciliation Scope

The SOEs for gems and jade and mining were required to disclose aggregated revenues received from extractive companies not selected in the reconciliation scope. Unilateral revenues received by Government Agencies amounted are summarised as follows:

Other minerals

Revenue stream	Amount in MMK
Custom Department	2,313,993,694
Custom duty	760,293,323
Commercial Tax on Imported Capital equipment, goods and services	1,553,700,371
Commercial Tax on Imports on Inventories	-
IRD	4,573,131,648
Corporate Income Tax	871,762,019
Commercial Tax	3,600,267,685
Stamp Duties	600
Capital Gains Tax	-
Withholding tax - Resident	101,101,344
Withholding tax - Non-Resident	-
Specific Goods Tax	-
Personal Income Tax	-
DOM	3,448,585,049
Royalties	1,907,545,982
Dead Rent Fees	1,538,695,815
License Fees	420,000
Application Fees	1,923,252
DGSE	-
Application Fees	-
Forest Department	588,262,951
Land Rental Fee	588,262,951
Environmental/Plantation Fee	-
ME1	7,468,184,668
Production Split	5,805,315,262
Application Fees	64,000,000
Rental Fee	748,427,217
Sale (Mill Tailing)	593,138,500
Others	257,303,689
ME2	2,381,407,752
Application Fees	377,500,000
Other Fees (Penalty/Rental machineries)	2,003,907,752
Total	20,773,565,763

Gems and Jade

Revenue stream	Amount in MMK
IRD	19,995,101,191
Corporate Income Tax	2,360,822,372
Commercial Tax	2,934,006,762
Capital Gains Tax	31,651,554
Withholding tax - Resident	36,000,000
Withholding tax - Non-Resident	-
Stamp Duties	-
Specific Goods Tax	14,632,620,504
Personal Income Tax	-
Customs	5,543,816,398
Custom duty	1,915,077,930
Commercial Tax on Imported Capital Equipment	3,628,738,468
Commercial Tax on Imports on Raw Materials and Inventories	-
DoM	8,418,317,757

Royalties on Production - Raw Materials 20%, Added Value 10%	8,418,317,757
Forest	600,000
Land Fee	600,000
Environmental/Plantation Fee	-
Myanmar Gems Enterprises	44,393,117,849
Commercial Tax - 5% (MMK)	1,857,358,515
Commercial Tax - 15% (MMK)	158,774,212
Specific Goods Tax - Rough Stones 20%, Jewellery 5%	33,470,163,309
Production Split - 25% of sales net of Tax	2,702,274,313
Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	6,055,762,841
Supervision Fees for Euro Sales	138,220,135
Central Committee 1% on sales	10,564,524
Myanmar Gems Enterprises	2,540,085,019
Penalty (Central Committee 1%)	467,952,318
Penalty (Supervision Fees)	40,959,801
Penalty 10%	1,143,456,276
Penalty 25%	887,716,624
Total	80,891,038,215

3.5.3. Oil and Gas Transportation Volume and Tariff

The volume transported by each Oil & Gas transportation company and the average tariff applied in the FY 2016-2017 are as follows:

Company	Volume transported	Unit	Average Tariff rates (USD)	Amount received in cash (USD)	Equivalent in million MMK
Moattama Gas Transportation Company (Yangon Branch)	212,014	MMscf	1543.51	327,246,232	411,349
Taninthayi Pipeline Company LLC	77,794,325	MMBTU	1.98	153,865,397	193,409
Andaman Transportation Limited (Yangon Branch)	98,037,798	MMBTU	2.08	217,575,973	273,493
South-East Asia Gas Pipeline Co., Ltd (Great Ocean Branch)	172,146	MMscf	2,433.25	418,873,295	526,524
Total				1,117,560,898	1,404,774

3.5.4. Revenue from Sale of State's Share of Production

Reporting entities were requested to report contributions in kind made to or received by Government or State-Owned Entities. An in-kind flow is where the Government receives minerals, crude oil or natural gas instead of cash, and monetises the physical commodity in some way. SOEs were also requested to report quantities and revenues received from the sale of the State's production share.

In-kind

In kind flow as reported by SOE detailed by commodity for the fiscal period 2016/17 are set out in the table below:

SOE	Commodity	Quantity	Unit
MOGE	Crude Oil (Royalty)	49,835	Barrel
ME (1)	Cathode Copper	3,339	MT
	Ferronickel	552	MT
	Tin	143	MT
ME (2)	Tungsten	3	MT
	Tin Tungsten Mixed	175	MT
	Tin Tungsten Scheelite Mixed	93	MT
	Gold	7,645	Toz
MGE	Jade	8,383	Kg
MPE	Pearl	71,659	Momme

Revenues from sales

MOGE

We understand that according to the PSCs, the State share on production is calculated in volume on the basis of the range of volume produced. The Joint Ventures partners sell all gas revenues in accordance with a long-term gas sales contracts and the revenues received are thereafter allocated on cash basis to MOGE and the partners in accordance to the PSC's provisions.

The revenue collected from the Sale of the State's Share of production for FY2016-2017 is set out in the below table.

Commodity	Volume	Unit	Value (in million MMK)
Crude Oil	49,835	Barrels	2,957
		Total	2,957

MGE

The revenues collected in-kind by MGE for jade amounted to MMK 66.8 million and are maintained in the museum and not sold. We understand from MGE that the in-kind receipts for FY2016-2017 will be sold in FY2018-19 in the emporium. Therefore, no revenues from the sale of this jade are received by MGE in FY2016-2017.

ME1 and ME2

According to the data reported by ME1, there is no sale in FY2016-17 for the revenue collected in kind.

Sales of State's share of production operated by ME2 amounted to MMK 25,089 million is detailed by Commodity below. The details of the revenue received from sales by individual buyers are as follow:

Minerals	Quantity	Unit	Amount (in million MMK)
Gold	18,477	Tic	15,425
Refined Tin	681	MT	9,664
Total	19,157		25,089

The details of the revenue received from sales by individual buyers are as follow:

	Buyer	Date of Sale	Type of Minerals	Volume Unit	Volumes sold	Revenues received	Currency	Destination
1	Central Bank	30.6.2016	Gold	Tic	8,433.1	6,417,198,394	Kyats	Yangon
2	Religious Affairs	10.1.2017	Gold	Tic	43.0	36,980,000	Kyats	Yangon
3	Shwedagon Pagoda	1.3.2017	Gold	Tic	10,000.5	8,970,439,530	Kyats	Yangon
	Total				18,476.6	15,424,617,924	Kyats	
1	U Hla Wai	9.12.2016	Pyro Refine Tin	MT	20.5	548,706,081	Kyats	Yangon
2	OM Manufacturing Co.,	19.12.2016	Electro Refine Tin	MT	101.5	2,785,206,846	Kyats	Yangon
3	Ministry of Military	4.7.2016	Pyro Refine Tin	MT	3.7	73,530,282	Kyats	Yangon
4	Kut Khaing Khan Kyaing Co.,	13.12.2016	Tin Tungsten Scheelite(Mixed)	MT	102.6	1,161,792,297	Kyats	Yangon
5	Ruli Sanlian Co.,	16.12.2016	Tin Tungsten Scheelite(Mixed)	MT	152.4	1,669,055,385	Kyats	Yangon
6	Highland Metals Pte Ltd	13.12.2016	Tin Tungsten (Mixed)	MT	97.6	1,065,425,537	Kyats	Yangon
7	Highland Metals Pte Ltd	19.12.2016	Tin Tungsten (Mixed)	MT	79.6	879,225,807	Kyats	Yangon
8	Mining World Co.,	19.12.2016	Tin Tungsten (Mixed)	MT	73.5	820,595,984	Kyats	Yangon
9	Myanmar Create Promote Co.,	13.12.2016	Tin Tungsten (Mixed)	MT	36.5	482,393,896	Kyats	Yangon
10	Myanmar Create Promote Co.,	13.12.2016	Tungsten Concentrates	MT	4.8	57,161,172	Kyats	Yangon
11	Myanmar Create Promote Co.,	13.12.2016	Tin Concentrates	MT	7.6	116,482,924	Kyats	Yangon
12	Myanmar Create Promote Co.,	13.12.2016	Tin Tungsten Scheelite(Mixed)	MT	0.3	4,596,477	Kyats	Yangon
	Total				680.7	9,664,172,688	Kyats	

DOM

Sales of State's share of production operated by DOM amounted to MMK 5,998,025,663 is detailed by minerals below:

The details of the revenue received from sales by individual buyers are as follow:

Minerals	Quantity	Unit	Amount million MMK
Copper	1,017.8	Tons	5,998
Total			5,998

The details of the revenue received from sales by individual buyers are as follow:

Buyer	Date of Sale	Type of Minerals	Volume Unit	Volumes sold	Revenues received	Currency	Destination
1 Ministry of Defence	27.7.2016	Copper	Tons	2.5	13,917,875	Kyats	Yangon
2 Yangon Crown Wire & Electric Cable Product Factory Co.,Ltd	22.8.2016	Copper	Tons	400.0	2,191,853,500	Kyats	Yangon
3 Yangon Crown Wire & Electric Cable Product Factory Co.,Ltd	21.12.2016	Copper	Tons	401.8	2,453,390,842	Kyats	Yangon
4 ShweDaGone Pogoda Trustee	31.1.2017	Copper	Tons	10.1	79,922,067	Kyats	Yangon
5 Golden Lion Wire Co.,Ltd	30.12.2016	Copper	Tons	203.4	1,258,941,380	Kyats	Yangon
Total				1,017.8	5,998,025,663	Kyats	

MPE

Sales of State's share of production operated by MPE is detailed below:

No	Buying company	Date of Sale	Type of Minerals	Volume Unit	Volumes sold	Revenues received	Currency	Destination
1	N/A	30/4/2016	Pearl	momme	10,878	377,253,943	Kyat	N/A
2	N/A	30/4/2016	Pearl	momme	40,904	6,314,300	USD	N/A
3	N/A	31/7/2016	Pearl	momme	52,309	2,630,784	Euro	N/A
4	N/A	31/1/2017	Pearl	momme	56,287	1,744,399,998	Kyat	N/A
5	N/A	31/3/2017	Pearl	momme	10,239	1,766,459	USD	N/A
					67,165.05	2,121,653,941	Kyats	
Total					51,143.75	8,080,759	USD	
					52,308.55	2,630,784	Euro	

3.5.5. Transfer from SOEs to Government Agencies

Total revenue collected by the below extractive SOEs amounted to MMK 1,890,029 million for FY 2016-17 of which a portion was transferred to the below government agencies during the year.

SOE	Amount Received by SOE	Transfer from SOE to Government Agencies for FY2016-17					Transfers to Union Fund Account (Other Account)	Total
		IRD & MCD	OGDP	Central Committee ³¹⁶	DOM	State Contribution		
MOGE	1,619,447	635,355	448,943	-	-	115,082	747,439	1,946,819
MGE	209,397	39,059	-	485	-	31,136	50,156	120,836
ME 1	17,754	1,773	-	-	-	1,419	8,268	11,461
ME 2	27,505	9,185	-	-	1,347	6,066	7,521	24,119
MPE	15,926	5,129	-	-	-	3,921	5,566	14,616
Total	1,890,029	690,501	448,943	485	1,347	157,622	818,951	2,117,850

Amounts in MMK million

The total amount of MMK 1,946,819 million transferred by MOGE to the government agencies and Union Fund (OA) in FY2016-2017 is higher than MOGE's revenue of USD1,619,447 million received during the year. We understand that this was partly related to the transfer from MOGE to OGDP where MOGE received some of its revenue at the MFTB bank account in Germany and transferred to OGDP after the funds were received in its MEB bank account. Posco Daewoo Corporation (Myanmar E&P Office) made Royalty and Production Split payments to an overseas Euro currency account which was set up by MFTB and China Development Bank (CDB) per a loan agreement. MOGE informed that the agreement stated that all revenue from the Shwe and SEAGP pipeline projects must be transferred directly to this foreign currency account. However, the payments made to the Euro currency account were not transferred immediately to MOGE's MMK account at MEB due to a clause in the loan agreement that required a certain minimum balance to be maintained. MOGE only received payment into its MEB MMK account when MFTB issued Payment Orders. Therefore the revenues that were paid to the Euro currency account may not be the same as amounts received in MOGE's MMK account for each fiscal year.

For FY 2016-17, Posco Daewoo Corporation (Myanmar E&P Office) disclosed royalty payments to MOGE amounting to USD77,186,466. This payment was made to the Euro currency account. The royalty payments that MFTB transferred to MOGE's MMK Account for FY 2016-17 amounted to USD 191,012,660 and this was the amount that MOGE transferred to OGPD, which was USD113,826,194 more than the amount received from Posco Daewoo Corporation (Myanmar E&P Office) in FY2016-17. MOGE informed that the difference was related to prior years' receipts from Posco Daewoo.

For the other SOEs, the total amounts received by each SOE was higher than the respective transfers made to other government agencies due to the operating expenses of the SOEs incurred in FY 2016-2017.

³¹⁶ Reconciled revenue and unilateral reporting by MGE for Central Committee collections

3.5.6. Loans and Loan Guarantees

According to the EITI Standard 2016, Section 2.6, where the Government Agencies and SOEs have provided loans and loan guarantees to extractive companies, the details of these transactions are required to be disclosed. Based on the reporting templates received, the following details of transactions per extractive sector are disclosed as follows:

Oil and Gas sector

Beneficiary (Name of the Entity operating in O&G sector)		Date of the Agreement	Maturity period	Terms of the Transaction			Total amount of the loan/loan guarantee	Outstanding amount not reimbursed on 31/03/2017	Amount reimbursed during the year
				Interest rate	Currency				
Myanma Oil & Gas Enterprise									
(1)	China Loan					USD	81	44	
						Euro	638	541	
						RMB	7,358	5,116	
(i)	Drilling Rigs & Oil field Equipments & Materials Project	27-9-2007	15(5)	3%		USD	81	44	
(ii)	Yadanar-Yangon 24" Natural Gas Pipeline	20-12-2009	20(5)	4.5%		Euro	186	162	
(iii)	Offshore Natural Gas Pipeline Shwe Project	30-11-2010	20(5)	4.5%		Euro	334	302	
(iv)	Onshore Natural Gas Pipeline Shwe Project	30-11-2010	20(5)	4.5%		Euro	119	78	
(v)	Oil Pipeline Project	30-11-2010	20(5)	4.5%		RMB	7,358	5,116	
(2)	India Loan					USD	7	-	
(i)	Yangon-Nyaung Tone Natural Gas Pipeline	24-10-2003	14(5)	1.21688%		USD	7	-	
(3)	Japan Loan					JPY	11,630	11,624	
(i)	The Offshore Petroleum Exploration & Oil Development Project (MY-C1, JICA)	15-1-2013	40(10)	0.01%		JPY	11,630	11,624	
Total Loan Amount						USD	88	44	
						Euro	638	541	
						RMB	7,358	5,116	
						JPY	11,630	11,624	

Amounts in MMK million

Minerals sector

Beneficiary (Name of the Entity operating in mining sector)	Terms of the Transaction						
	Date of the Agreement	Maturity period	Interest rate	Currency	Total amount of the loan/loan guarantee	Outstanding amount not reimbursed on 31/03/2017	Amount reimbursed during the year
No (1) Mining Enterprise							
(4) Japan Loan							
(i) Steel Mill Renovation (MY-C1, JICA)	15-1-2013	40(10)	0.01%	JPY	3,051.086	3,049.552	-
Total Loan Amount				JPY	3,051.086	3,049.552	

Amounts in MMK million

* The loan beneficiary was previously No. (3) Mining Enterprise which was merged to become part of No (1) Mining Enterprise in FY2016-2017.

Except as disclosed above, no other loans were reported by the extractive companies, SOEs or the government agencies. We are not aware of any loan guarantees provided by the government and SOEs.

3.5.7. Quasi-fiscal Expenditures

The Government Agencies and SOEs selected in the scope were asked to disclose any quasi fiscal expenditures. These payments were declared by Government Agencies and SOEs and were not included in the flows to be reconciled. As of the date of this report, there were no material payments declared by Government bodies and SOEs.

3.5.8. Infrastructure Provisions and Barter Arrangements

Reporting companies and SOEs were asked to report infrastructure provisions but these are not included in the flows to be reconciled. Based on the information collected and interviews held with key stakeholders, no barter transactions or infrastructure projects have taken place or were ongoing in FY2016-17.

SOEs and Government Agencies were requested to disclose the Infrastructure provisions and barter arrangements with the companies operating in the extractive sector. Based on the information collected and interviews held with government focal points, no barter transactions or infrastructure projects have taken place or were ongoing in FY2016-17.

3.5.9. Social Payments

Social expenditure incurred for the mandatory and voluntary corporate social responsibility for FY2016-17 are reported by participating entities as follows:

No.	Company	Mandatory Corporate Social Responsibility	Voluntary Corporate Social Responsibility	Total in MMK
Oil and Gas		-	9,087,906,426	9,087,906,426
1	BG Exploration & Production Myanmar Pte. Ltd. (Myanmar Branch)	-	251,400,000	251,400,000
2	GoldPetrol Joint Operating Company Inc., (GJOC Inc.)	-	118,553,433	118,553,433
3	MPRL E&P Pte Ltd. (Yangon Branch)	-	860,969,228	860,969,228
4	PC Myanmar (Hong Kong) Limited	-	423,624,460	423,624,460
5	Posco Daewoo Corporation (Myanmar E&P Office)	-	1,494,575,112	1,494,575,112
6	PTTEP International Ltd.	-	799,245,000	799,245,000
7	Shell Myanmar Energy Pte. Ltd. - Yangon Branch	-	888,027,762	888,027,762
8	SNOG Pte Ltd	-	24,000,000	24,000,000
9	Unocal Myanmar Offshore Co., Ltd.	-	318,208,293	318,208,293
10	Woodside Energy (Myanmar) Pte Ltd	-	245,774,925	245,774,925

11	Myanmar Oil and Gas Enterprise (MOGE)	-	3,663,528,213	3,663,528,213
Oil and Gas transportation		-	3,308,105,929	3,308,105,929
1	Moattama Gas Transportation Company (Yangon Branch)	-	3,198,655,105	3,198,655,105
2	South-East Asia Gas Pipeline Co., Ltd (Great Ocean Branch)	-	8,233,350	8,233,350
3	Taninthayi Pipeline Company LLC	-	101,217,474	101,217,474
Gems and Jade		-	2,184,340,970	2,184,340,970
1	Aung Myin Thu (AMT) Company	-	653,345,918	653,345,918
2	Kaung Su Aung Jade & Gmes Co., Ltd.	-	298,741,212	298,741,212
3	Kyauk Seinn Sun Shwin Jade, Gems & Jewellery Co., Ltd.	-	1,232,253,840	1,232,253,840
Other Minerals		946,335,901	1,456,531,014	2,402,866,915
1	Cornerstone Resources (Myanmar) Ltd.	-	23,870,000	23,870,000
2	Eternal Mining Co., Ltd.	-	446,714,640	446,714,640
3	First Resources Co.,Ltd	-	22,877,500	22,877,500
4	Htoo International Industrial Group Co., Ltd.	-	8,123,033	8,123,033
5	Manadalay Golden Friend Mining Co., Ltd.	-	44,705,291	44,705,291
6	Mandalay Distribution and Mining Co., Ltd.	-	197,682,563	197,682,563
7	Max Myanmar Co., Group.	-	18,357,500	18,357,500
8	Myanmar Golden PointFamily	-	235,773,850	235,773,850
9	Myanmar Economic Holding Ltd.,	-	49,183,100	49,183,100
10	Myanmar Wanbo Copper Mining Co., Ltd.	915,948,901	-	915,948,901
11	Myanmar Yang Tse Copper Ltd.	-	8,723,550	8,723,550
12	Ngwe Kabar Myanmar Co., Ltd	26,269,600	-	26,269,600
13	Ngwe Yi Pale Mining Co., Ltd	-	114,116,200	114,116,200
14	Sai Long Hein Mining Co., Ltd.	-	16,400,000	16,400,000
15	Shwe Taung Mining Co., Ltd.	-	26,180,771	26,180,771
16	Than Taw Myat Co., Ltd	-	44,668,000	44,668,000
17	Thi Ha Thant Hein Mining Co., Ltd.	4,117,400	3,000,000	7,117,400
18	Top Ten Star Production Co.,Ltd.	-	120,754,250	120,754,250
19	Win Myint Mo Industries Co.,Ltd.	-	53,200,765	53,200,765
20	Wuntho Resources Co., Ltd	-	22,200,001	22,200,001
Pearls		-	54,704,500	54,704,500
1	Annawar Pearl Company Limited	-	5,800,000	5,800,000
2	Myanmar Andman Co., Ltd	-	34,750,000	34,750,000
3	Myanmar Atlantic Co., Ltd	-	11,072,500	11,072,500
4	Niino Pearl Culturing Co., Ltd	-	1,948,000	1,948,000
5	Pyae Sone Htet Myint Co.,Ltd	-	1,134,000	1,134,000
Total		946,335,901	16,091,588,839	17,037,924,740

The training contributions made for FY 2016-17 reported by the Oil and Gas companies are as follow:

No.	Company Name	Training Fund Declared (in USD)
1	ENI Myanmar B.V. (Myanmar Branch)	587,426
2	GoldPetrol Joint Operating Company Inc., (GJOC Inc.)	169,582
3	MPRL E&P Pte Ltd. (Yangon Branch)	684,940
4	PC Myanmar (Hong Kong) Limited	55,075
5	Total E&P Myanmar	100,000
Total		1,597,023

3.5.10. Social Security Board Contributions, Personal Income Taxes, Contribution to State/ Region Development Fund

Social Security Board Contributions and Personal Income Taxes were requested for unilateral reporting from the extractive companies for the first time in FY2016-17.

Social Security Board Contributions

No.	Company	Social Security Board Contribution MMK
Oil and Gas		750,866,876
1	Berlanga Myanmar Pte Ltd., (Myanmar Branch)	407,067
2	Chinnery Assets Limited (Myanmar Branch)	2,440,608
3	CAOG PTE LTD (MYANMAR BRANCH)	868,681
4	ENI Myanmar B.V. (Myanmar Branch)	935,094
5	GoldPetrol Joint Operating Company Inc., (GJOC Inc.)	34,028,222
6	MPRL E&P Pte Ltd. (Yangon Branch)	40,290,217
7	ONGC Videsh Ltd.,	495,000
8	PC Myanmar (Hong Kong) Limited	53,954,411
9	Posco Daewoo Corporation (Myanmar E&P Office)	15,516,042
10	PTTEP International Ltd.	34,052,607
11	Shell Myanmar Energy Pte. Ltd. - Yangon Branch	699,420
12	SNOG Pte Ltd	3,788,055
13	Total E&P Myanmar	40,553,000
14	Woodside Energy (Myanmar) Pte Ltd	999,000
15	Myanmar Oil and Gas Enterprise (MOGE)	521,839,453
Oil and Gas Transportation		63,154,131
1	SEAGP	63,154,131
Gems and Jade		49,648,116
1	Kaung Swan Htet Company	41,137,131
2	Myanmar Ruby interprise	6,697,000
3	Ruby Dragon Jade & Gems Co.,Ltd.	1,063,565
4	Wai Family Gems Company Limited	750,420
Other Minerals		446,163,012
1	Eternal Mining Co., Ltd.	5,190,600
2	First Resources Co.,Ltd	460,200
3	Good Brother's Machinery Co., Ltd	4,571,400
4	Kan Baw Za Industrial Co., Ltd,	13,912,800
5	Max Myanmar Co., Group.	40,221,612
6	Myanmar Economic Holding Ltd.,	8,478,400
7	Myanmar Wanbo Copper Mining Co., Ltd.	142,524,222
8	Myanmar Yang Tse Copper Ltd.	194,059,580
9	Ngwe Kabar Myanmar Co., Ltd	978,000
10	NO.(1) HEAVY INDUSTRY	26,195,976
11	Than Taw Myat Co., Ltd	9,353,000
12	YCDC	217,221
Pearls		53,193,350
1	Belpearl Myanmar Co.,Ltd	4,219,905
2	Myanmar Andman Co., Ltd	7,215,996
3	Myanmar Atlantic Co., Ltd	6,612,900
4	Myanmar Tasaki Co., Ltd	19,697,899
5	Niino Pearl Culturing Co., Ltd	2,613,600
6	Orient Pearl Co., Ltd (Jalan)	2,790,150
7	Orient Pearl Co., Ltd (Zinyaw)	8,784,400
8	Pyae Phyo Tun Co., Ltd	1,258,500
Total		1,363,025,484

Personal Income Tax

No.	Company	Personal Income Tax MMK
Oil and Gas		17,007,497,564
1	Bashneft International B.V. (Myanmar Branch)	102,790,144
2	Berlanga Myanmar Pte Ltd., (Myanmar Branch)	77,743,502
3	BG Exploration & Production Myanmar Pte. Ltd. (Myanmar Branch)	143,073,163
4	Brunei National Petroleum Company Sdn Bhd (PB Myanmar)	8,341,877

5	Chinnery Assets Limited (Myanmar Branch)	334,575,446
6	CAOG PTE LTD (MYANMAR BRANCH)	139,893,079
7	CFG Energy Pte Ltd.,	14,407,658
8	ENI Myanmar B.V. (Myanmar Branch)	464,935,460
9	GoldPetrol Joint Operating Company Inc., (GJOC Inc.)	185,093,211
10	IsTech Energy EP-5 Pte Ltd., (Myanmar Branch)	29,548,236
11	MPRL E&P Pte Ltd. (Yangon Branch)	431,650,092
12	ONGC Videsh Ltd.,	29,345,831
13	Ophir Myanmar (Block AD-3) Limited (Myanmar Branch)	5,191,307
14	Petronas Carigali Myanmar Inc (PCMI)	525,805
15	PC Myanmar (Hong Kong) Limited	1,964,447,944
16	Posco Daewoo Corporation (Myanmar E&P Office)	2,756,870,256
17	PTTEP International Ltd.	6,239,439,282
18	Shell Myanmar Energy Pte. Ltd. - Yangon Branch	197,293,457
19	SNOG Pte Ltd	5,010,121
20	Total E&P Myanmar	2,950,047,527
21	Unocal Myanmar Offshore Co., Ltd.	431,764,274
22	Woodside Energy (Myanmar) Pte Ltd	495,509,892
Oil and Gas Transportation		7,399,303,162
1	SEAGP	7,399,303,162
Gems and Jade		2,577,600
1	Ruby Dragon Jade & Gems Co.,Ltd.	2,577,600
Other Minerals		581,781,993
1	Kan Baw Za Industrial Co., Ltd,	749,800
2	Myanmar Wanbo Copper Mining Co., Ltd.	29,366,222
3	Myanmar Yang Tse Copper Ltd.	551,665,971
Pearls		123,970,325
1	Belpearl Myanmar Co.,Ltd	3,864,992
2	Myanmar Andman Co., Ltd	5,288,252
3	Myanmar Atlantic Co., Ltd	1,697,600
4	Myanmar Tasaki Co., Ltd	111,938,601
5	Niino Pearl Culturing Co., Ltd	1,180,880
Total		25,115,130,645

Contribution to State/Region Development Funds

No.	Company	State & Region Development Board MMK
Gems and Jade		64,740,281
1	Kachin Nationals Development@ Progress Gems Co.,Ltd	64,599,000
2	Lyan Shan Company	141,281
Pearls		54,955,000
1	Aquagold Myanmar Co.,Ltd	2,500,000
2	Myanmar Andman Co., Ltd	50,000,000
3	Niino Pearl Culturing Co., Ltd	2,455,000
Total		119,695,281

4. Recommendations

4.1 Current year recommendations

Based on observations made during the scoping and data gathering process, certain opportunities for strengthening Myanmar EITI implementation came to our notice. Our findings and recommendations are set out in the following pages.



Contracts and
License



Exploration and
Production



Revenue
Collection



Revenue
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Social and economic
spending

Contract Disclosure, Exploration and Export, Comprehensive Disclosure of Taxes and Revenues, Data Timeliness

MSG should consider to work with government agencies to strengthen the EITI Implementation and also consider working with the government to issue an administrative order or notification to support the implementation. (1)

On 28 February 2019, the global EITI Board agreed in principle to proposed changes to the EITI Requirements, including:

- Contract transparency and disclosure: Disclosure of new contracts between the state and the companies, with mandatory disclosure of contracts signed or amended after 1 January 2021.
- Strengthening disclosure requirements regarding state participation, transactions related to state-owned enterprises and quasi-fiscal expenditures.
- Mainstreaming transparency: Encourage systematic public disclosure of extractive data instead of reliance on EITI Reporting for comprehensive disclosure of extractive data.

The EITI Board will look into transitional arrangements and have discussed possible ways to address this, including an approach whereby the 2019 Standard would come into force immediately. It is expected that the Implementation Committee will make a recommendation in April 2019.

The Cabinet of the Government of the Union of Myanmar have issued a notification dated on 29 June 2018 to support the implementation of MEITI process, urging the respective "Union Ministries, State and Regional Governments, union level government organisations were being urged to cooperate with MEITI Leading Committee, Working Committee, MEITI Multi-stakeholder Group and National Coordination Secretariat office in order to implement MEITI process and activities for sustainable development of Myanmar."

For the fourth EITI report, only MOGE provided project level reporting for the oil and gas projects. We understand that project level data is not readily available from MONREC.

To further strengthen EITI implementation, the MSG is encouraged to work with the extractive government agencies on the following actions:

- For the short-term purpose and for the next EITI reporting, to start early discussion on availability of government data for project-level reporting for sectors other than oil and gas for the next MEITI report and engage with extractive companies to support in providing the information.
- Revisit the confidentiality restrictions for extractive contracts, and implement changes to PSC terms, or regulations that require disclosure of information for EITI purposes an exception to any confidentiality provisions in advance of the implementation date of 1 January 2021.
- It is encouraged that even prior to 1 January 2021, the list of operators and contractors who were awarded contracts and their current status of operations such as exploration/ study/ development/ production should be uploaded on the website of relevant government agencies for full transparency.
- Extractive government agencies should consider to disclose the details of Myanmar's extractive activities on their websites to demonstrate transparency and accountability of the government sector. Such disclosures could also include data on revenue collected, production and exports, sources of data, manner of determination of values and volumes, etc., and be regularly updated.

The MSG can consider to work with the government to issue an administrative order or notification to support the implementation of the above such disclosures.

Agency

- MSG
- All Agencies

Agency Comments

MOEE Comments

- Regarding the Project-level Reporting it is to coordinate with the operators jointly cooperated in the projects as well as the departments/ organizations which have been performing related works for presentation in the future periods.
- Regarding the performance in terms of transparency besides the relevant data regarding the natural resources have been described in the EITI Report, it is required to perform feasibility study on the international good experiences for the strengthening of public disclosure of data relating to the natural resources so that Independent Administrator (IA) is requested to help and aid in this regard.
- Arrangement has been made on timely basis for posting the statistics and accounts of the operator and consortium relevant to Oil and Natural Gas and current situation on the MOEE Website.
- For posting of the updated extractive activities and data on the website, the Civic Society Organizations (CSOs) has been performing regarding such accounts/data and the Ministry of Commerce and the CSOs have been describing the export data.
- For the disclosure of the data regarding the Ministry of Electricity and Energy (MOEE), coordinated performance need to be done with the obtaining of the comment from the CSOs.
- Regarding the information, close watch must be done on the accuracy and correctness based on the time period in order to timely present the information and the department must perform in cooperation with the relevant departments in order to present up to date information.
- Regarding the Quasi-Fiscal Expenditures it is needed to know accurately the meaning of QFE. The Independent Administrator (IA) needs to thoroughly clarify the definition of quasi-fiscal expenditure. It can be understood and performed how to arrange and keep the accounts only then thoroughly knowing and understanding on the quasi-fiscal expenditures and it is required to search solution and perform in coordination and cooperation with Office of Auditor General, Ministry of Planning and Finance (Budget Department) and Myanmar Oil and Gas Enterprise. Independent Administrator (IA) is requested to help and provide the requirements as the departments need to study the International Financial Regulations.

DOM Comments:

- As the agreement is required by the private investors it can be disclosed/ described after revising and amending the contracts signed by conducting separate workshops.
- To send an official letter to the ministries by the office of National Coordination Secretariat (NCS) regarding the compulsory description of the contracts according to the advices of the International EITI Secretariat and new EITI Standard 2019 Myanmar Gems Enterprise (MGE) is participating in the Mining Cadastre System as advices provided and is cooperating to apply the system.
- In the MEITI 5th Report it will be coordinated and performed in cooperation with the departments of the Ministry for submission of the data on project level wise. In submission of the data relating to the royalty in order for drawing up the MEITI 4th Report, the No. (2) Mining Enterprise submitted project wise data. In the future reports to be written, it shall be performed that the data relating to the mineral type wise under the same company shall be provided.
- Regarding the project level, special advice is being given that it needs to be clear in the scoping of the Independent Administrator (IA) who prepared the template and the members of Multi-Stakeholders Group (MSG) and NCS office should help in setting project level.
- In the 2017-2018 Report it shall be performed to describe company wise royalty received instead of the sum in total.
- The data regarding the minerals exploration, survey and production have been described/ disclosed in the Website of the Ministry from since (1.4.2016), the date of the first report was written, up to date.
- It is necessary to link up with the Union Attorney General's Office in order to perform according to the Ministry's existing/ prevailing law, rules, procedures prescribed security standards and classifications and it is needed to coordinate and perform in advance from now onwards.



- It can be provided if there is clear instruction on the required data when the template is to be filled up. Since the commencing of the stage of scoping, details should be requested/ demanded regarding the License Holder. It should be discussed and performed in the nearest Multi-Stakeholders Group (MSG) meeting.

MGE Comments:

Regarding the Project-level Reporting, the technology, understanding and enhancement of the staff/employee capacity are needed. By successfully doing this, regarding the project-level reporting, it can thoroughly be presented to the relevant decision makers. According to the nature of Myanmar Gems Enterprise (MGE) it cannot be fixed in detail in determining the project level reporting. Regarding the disclosure of contracts the comments of the relevant companies can become challenges.

There is no data available as the exploration work is not needed for Myanmar Gems Enterprise (MGE). Myanmar Gems Enterprise (MGE) is participating in the Mining Cadastre System as advices provided and is cooperating to apply the system.

MOPF Comments:

Regarding to "Disclosure", it is to be submitted by the NCS to the working committee and leading committee to coordinate with respective ministries by viewing over other EITI implementing countries.

IRD Comments:

Noted. This recommendation applies to MSG and extractive government agencies.

DGSE Comments:

Regarding with systematic public disclosure of extractive data, DGSE accepts it.

For project-level reporting, DGSE has no activity to describe in project-level.

For implementation of changes to PSC terms, it needs to be in line with Myanmar Mines Rules.

To upload list of operators, contractors and status of operations and disclose the details of Myanmar's extractive activities on the website of relevant government agencies for full transparency, mining cadastre is going to be implemented.



Contracts and
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Contract Disclosure

Government agencies should make available up-to-date model contracts on their websites while working towards the ultimate goal of disclosing all extractive contracts to improve compliance. Taxpayer Identification Number (TIN) for companies and cooperatives and the TIN or NRC for individuals should be included in the disclosure of permit-holder details as a unique identification number. (3)

Extractive contracts were kept as confidential due to confidentiality clauses but model contract terms were provided. We understand that different operators have different terms in the contracts. Model contracts are available in the DOM's website. There was duplication of mining permits noted in the register and it was corrected during the reconciliation process. Permit-holder names were spelt differently in different records.

Disclosure of permit-holder details should include the Taxpayer Identification Number (TIN) for companies and cooperatives and the TIN or NRC for individuals and instead of only using names.

The MCD uses IE codes to identify the exporters and importers and HS codes to identify the commodity. If the IA could provide IE code of the companies to the MCD in the following year, it would be easier for the MCD to collect information. Through the use of MACCS, the MCD would be able to provide information on import and exports in the following year.

As an initial measure, all government agencies should post up to date model contracts on their websites if full disclosure of the terms of every contract is not feasible from confidentiality issues. The ministries should then move to disclosing all extractive contracts as this will improve compliance with EITI standards and make reconciliation process more meaningful and facilitate checking if all payments received are per contract terms and to monitor whether there were outstanding receivables from the extractive companies.



Agency

- All Agencies



Agency Comments

ME-2 Comments:

ME-2 contracted with the companies for mining activities. Now, Directorate of Investment and Company Administration (DICA) has already installed online registry called Myco Database. So, companies' information is available at www.myco.dica.gov.mm.

MOEE Comments:

If the model contract is posted on the Website it will be presented after obtaining the agreement from the relevant departments. For the posting of contract in the Website coordinated performance must be made according to the EITI Standard as it can only be made by obtaining the comments from the operator and consortium who have been cooperating in the projects as well as by obtaining comments from the concerned department/ organizations. Study needs to be done in similar cases in other EITI member/candidate countries and therefore the Independent Administrator (IA) is requested to provide help and aid of knowing the situation of the performance in this respect of some EITI countries.

DOM Comments:

- The number of license No. has been repeated/ identical as there are a variety of licenses issued based on the types of various mineral licenses. The good code system in State/Region wise has now been practised and performed in doing/ implementing Mining Cadastre in such case. Regarding the variance in describing the name of the companies, the departments, from one department to other, will be using similar company's registered name.
- It should be coordinated to easily receive the TIN from the Internal Revenue Department (IRD) and it is required to link up the TIN and License Nos.
- The samples of standard Contracts to be made with the Ministry have been described in the Ministry' Website and it shall be continued to coordinate with the departments within the Ministry and Union Attorney General's Office in order for the disclosure of the facts contained in the contract made.

MGE Comments:

The sample contract form has already been posted/ presented on the MGE Website. At present, the Rules is under drawing up and amending according to the new Myanma Gems Law and if there is new sample of contract form is coming out it will be posted/ presented on the Website. Regarding the disclosure of contract, the comments of the relevant companies could become challenges.



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Legal framework and fiscal regime

There should be a summary of legal frameworks highlighting the relevant laws, rules, orders and notifications on SOEs and government agencies' websites. (6)

Relevant laws, rules and notifications are not always available on the website of relevant ministries and SOEs.

The government agencies and SOEs should provide a summary of legal framework on their websites and provide links to the relevant laws, rules, orders and notifications. In addition, they should also provide a link to the relevant ministry's website where relevant. For example, a link to the IRD website could be provided and the IRD should then ensure that all up-to-date laws, rules, orders and notifications relevant to the extractive industries would be found available on the website.



Agency

- All Agencies



Agency Comments

ME-2 Comments:

Department of Mines has already uploaded laws and regulations on www.mining.gov.mm. There is no further comment on this recommendation since it is being implemented to upload the notifications.

MOEE Comments:

Laws, Rules and Notifications relevant to the departments are presented/ posted on the Ministry's Website and posting of Laws, Rules and Notifications relevant to the Oil and Gas on the Oil and Gas Planning Department (OGPD) Website is under programming and arrangement.

DOM Comments:

Law and Rules have already been described in the Ministry's Website and it shall be continuing to describe the notifications in the Website.

MGE Comments:

In www.mining.gov.mm, the 2019 Myanmar Gems Law has already been described. Currently the Rules are under amending and drawing up.

IRD Comments:

IRD has used its own website since 2010. IRD has provided up-to-date laws, rules, regulations, notifications, pamphlet, the latest news of the department, the announcement for taxpayers and the tax reform process on IRD website: www.irdmyanmar.gov.mm. IRD also upload their updated information on the Ministry of Planning and Finance website: www.mopf.gov.mm. The promulgated laws, rules and regulations of IRD are provided and updated on other ministries' websites: www.myanmartradeportal.gov.mm and www.myanmar.gov.mm, which the links of those websites are described on IRD's website to access easily.



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License allocations

The license allocation process should be transparent, formalise into regulations, and subject to independent review/audit. (7)

Technical and financial criteria in awarding contracts/ permits in oil and gas and mining industry are not publicly available. The assessment on the past contracts/permits awarded were not disclosed except for the list of bidders.

For the mining industry, we understand that mining permits were granted on a first-come-first-serve basis. If more than one entity applied for the same mining block at the same time, it would be awarded to the higher bidder.

Based on the information provided by the government agencies for the gems and jade sector, we understand that mining permits were granted to the highest bidders.

The government agencies should disclose the technical and financial criteria and applicable weightage used in awarding contracts/ permits to investors in order to improve transparency of the license allocation process.

The license allocation process should be formalised into regulations and subject to independent review / audit (e.g. performed by OAG).

Agency

- MOEE
- MONREC
- MGE

Agency Comments

OAG comments:

Regarding with mining sector, revenues and expenditures accounts were prioritized to be audited whilst one case of license allocation process was audited. For the next audited period, it will be earmarked for license allocation process to be audited.

For Oil and Gas sector, revenue collection and whether it is correctly described and involved in budget account have been audited, but not license allocation process in the FY of 2016-2017 and 2017-2018. For the next audited period, it will be earmarked for license allocation process to be audited.

MOEE Comments:

- Awarded Lists regarding the Oil and Gas Blocks have been posted/ presented on the Website. The Terms of Conditions have also been posted/ presented with the permission of the department.
- There has been difficulty in posting/ presenting the Detailed Marking System regarding the contracts due to the security conditions. If it is possible, the practices of other countries in this respect need to be known so that the Independent Administrator (IA) is requested to help and aid in this respect.
- In performing the projects relevant to the Oil and Gas, the projects have been implemented according to the comments of State President's Office, State Cabinet Office and other related organizations/ departments.
- Regarding the work performance of projects, the Office of Auditor General (OAG) has been conducting Performance Audits.

DOM Comments:

The Myanmar Gems Enterprise's license allocation process is described in the government's newspapers and has been presented/ posted on the department's Website. There is no difficulty for MGE if the Office of Auditor General audits the license allocation process.

MGE Comments:

The Myanmar Gems Enterprise's license allocation process is described in the government's newspapers and has been presented/ posted on the department's Website. There is no difficulty for MGE if the Office of Auditor General audits the license allocation process.

DGSE Comments:

Regarding with disclosure of the technical and financial criteria and applicable weightage, DGSE has described and uploaded them on government website.



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Register of licenses

The government agencies and SOEs should maintain centralised public registers of contracts/permits with coordinates on their websites. (8)

Coordinates of oil and gas blocks were provided by the MOGE but they were not uploaded on its website. The types of coordinates used in oil and gas and mining were not the same. It was found that application dates of gems and jade permits are included in the list of permits as of 1 April 2016 on Myanmar Gems Enterprise website, but application dates of minerals permits were not recorded as it was not required by the Mining Rules at that time. Public registers of contracts and permits were not available.

The information on the mining permit register held by the DOM and Mining Enterprises were not consistent. We understand that the permit register is not shared across the agencies.

ME2 was not able to provide the coordinates for all the mining blocks in time.

There are no procedures documented over the return of mining permits in Gems and Jade.

The government agencies and SOEs should maintain centralised public registers of contracts/ permits with coordinates on their websites so that public will be able to access information. This should include the procedures for the return of permits.

Agency

- MOEE
- MONREC

Agency Comments

MOEE Comments:

- The Coordinates of the Oil and Gas sector have been posted on the Website. The awarded dates regarding the blocks done for tender are as advertised in the newspapers. For the future tender processes awarded dates and date of signing the contracts shall be described on the Website.
- The contractual tenure/ term of the PSC is normally 20 years and it is fixed based on the production/ distribution of natural gas.

DOM Comments:

- Although there cannot be any description during the period for the MEITI 4th Report to be prepared, initial recording teams have been formed and performed according to 2018 Myanmar Mines Rules and regarding the procedures on the license-in-return, details have been promulgated in the new Rules.
- It is underway for the description of coordinate contained in the contracts in the Website and permit records are accumulated, maintained and described up to date from time to time.

MGE Comments:

Since 2016-2017 Financial Year, there are no new blocks allocation. If there will be any block allocation in the future it will be described/posted on the Website.

According to the Myanmar Gems Law promulgated on (30.1.2019), the procedure relevant to the block-in-return is in inclusion in the new Myanmar Mines Rules which is under drawing. Currently if the block is closed, the block closing arrangement/ programme is to be drawn up and submitted and it is accepted only when it is completely performed.

MGE is cooperating in the process of Mining Cadastre and when the Mining Cadastre System commences, MGE will perform as the advices provided.

DGSE Comments:

Regarding the types of coordinates, DGSE has started using UTM system. For maintaining a centralised public register of contracts/permits, Mining Cadastre is going to be implemented.



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State Participation

Entities determined to be SOEs should be fully engaged in the EITI reporting process including full disclosures of information required for state participation. (11)

Requirement 2.6 states that for the purpose of EITI reporting, “a SOE is a wholly or majority government owned company that is engaged in extractive activities on behalf of the government. Based on this, the multi-stakeholder group is encouraged to discuss and document its definition of SOEs taking into account national laws and government structures.”

MEHL and MEC are not treated as SOEs for the EITI reporting to date, but more information should be obtained such as source of financing, and if there is any financial control/ returns to the government, and to clarify if these entities are government-owned or controlled. In addition the award of permits and licences to these companies should be made transparent.

MEHL was initially set up as a special company in the name of Union of Myanmar Economic Holding Limited (UMEHL) under the 1950 Special Company Act in 1990 with the Union Budget where Share “A” was held by the Ministry of Defence and the Directorate of Defence Procurement and Share “B” was held by military personnel, ex-servicemen, regiments and units, and ex-servicemen-led organisations. MEHL changed its company status to a public limited company under 1914 Myanmar Companies Act in 2015 by transferring Share “A” to Share “B”.

MEHL is not treated as SOEs for the EITI reporting to date, but more information should be obtained such as source of financing, and if there is any financial control/ returns to the government, and to clarify if these entities are government-owned or controlled. In addition the award of permits and licences to these companies should be made transparent.

If MEHL is assessed to be a SOE, it should be fully engaged in the EITI reporting process including full disclosures of information required for state participation under EITI requirement 2.6. For the fourth EITI report, MEHL participated as a reporting extractive company and the reconciliation process concluded with significant unreconciled differences between the company’s and the government data.

It is also expected that the Presidential Decree on BO will be released by June 2019 and companies in 5th MEITI report will have to disclose their BO information. MEHL would be required to provide the details of the shareholders and funding arrangement at that time.

Agency
• MSG



Agency Comments

MOPF Comments:

During 18th MSG meeting dated 29th January 2019, it was told that Myanmar Economic Holding Public Company Limited (MEHPCL) will participate in MEITI process especially in the publication of MEITI reports. Therefore, NCS needs to coordinate with MEHPCL and MEC in order to receive the required comprehensive information for the MEITI reports.

DOM Comments (MSG representative):

Due to Beneficial ownership disclosure has to be implemented on 1 January 2020, Beneficial Ownership Task Force and MSG decided that companies in the scope of 4th MEITI report including MEHPCL and MEC have to disclose their BO information.





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State Participation

Entities determined to be SOEs should be fully engaged in the EITI reporting process including full disclosures of information required for state participation. (12)

Requirement 2.6 states that for the purpose of EITI reporting, “a SOE is a wholly or majority government owned company that is engaged in extractive activities on behalf of the government. Based on this, the multi-stakeholder group is encouraged to discuss and document its definition of SOEs taking into account national laws and government structures.”

MEHL and MEC are not treated as SOEs for the EITI reporting to date, but more information should be obtained such as source of financing, and if there is any financial control/ returns to the government, and to clarify if these entities are government-owned or controlled. In addition the award of permits and licences to these companies should be made transparent.

No information was made available on the shareholdings of MEC.

MEC is not treated as SOE for the EITI reporting to date, but more information should be obtained such as source of financing, and if there is any financial control/ returns to the government, and to clarify if the entity is government-owned or controlled. In addition the award of permits and licences to the company should be made transparent.

If MEC is assessed to be a SOE, it should be fully engaged in the EITI reporting process including full disclosures of information required for state participation under EITI requirement 2.6. For the fourth EITI report, MEC participated as a reporting extractive company and the reconciliation process concluded with significant unreconciled differences between the company’s and the government data.

It is also expected that the Presidential Decree on BO will be released by June 2019 and companies in 5th MEITI report will have to disclose their BO information. MEC would be required to provide the details of the shareholders and funding arrangement at that time.

Agency

- MSG

Agency Comments

MOPF Comments:

During 18th MSG meeting dated 29th January 2019, it was told that Myanmar Economic Holding Public Company Limited (MEHPCL) will participate in MEITI process especially in the publication of MEITI reports. Therefore, NCS needs to coordinate with MEHPCL and MEC in order to receive the required comprehensive information for the MEITI reports.

DOM Comments (MSG representative):

Due to Beneficial ownership disclosure has to be implemented on 1 January 2020, Beneficial Ownership Task Force and MSG decided that companies in the scope of 4th MEITI report including MEHPCL and MEC have to disclose their BO information.



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State participation, Transactions related to state-owned enterprises

SOEs should work towards demonstrating that they have no regulatory role to avoid any issues concerning conflict of interest. Audited reports of SOEs should be made publicly available. (9)

The SOEs participating in the exclusive industries, such as MOGE, are units operating inside Government Ministries. They are not stand alone corporate entities. Their activities do give rise to material revenue including payments directly from the non-government companies involved in the extractive industries. They also act as contractors in projects.

Audited reports from SOEs are provided to the IA upon request but are not publicly available at their websites or OAG's website. Although the IA was provided with SOE accounts that are previously not publicly available, details of loan financing and any equity were not fully transparent. It is recommended that all SOE financing (including guarantees), as well as any equity interests are fully disclosed by the SOEs. It is also recommended that the SOEs should work towards demonstrating that they have no regulatory role, whether initiating regulations or having oversight of regulations, to avoid any issues concerning conflict of interest. The SOEs should also focus and report progress on best practice governance frameworks and transparency in financial reporting such as publishing audited financial statements showing fiscal revenue and expenditure clearly to the public.

Agency
• SOEs

Agency Comments

OAG comments:

According to the Auditor General Law Article 11 (A), the Office of the Auditor General of the Union (OAG) has to submit the audited findings of financial returns/budget data in Pyidaungsu Hluttaw or Pyithu Hluttaw or Amyotha Hluttaw at least once a year. If there is any urgent, OAG reports occasionally.

According to Article 11 (O), OAG reports the audited activities to the President of the Republic of the Union of Myanmar at the same time to the Myanmar Union Parliament. The OAG send the report to the Public Account Committee (PAC). After the PAC has done the analysis, verification, and evaluation on the report submitted by OAG, the report will be published on the website of PAC <https://pyidaungsu.hluttaw.mm/reports>.

Regional/ State Auditor General reports to the Chief Minister of State/Region and the Regional Parliament as well.

OAG follows the enacted Law, Rules and Regulations. The Auditor General of the Union Law 2010 was amended in 2013, 2014 and 22-Jan 2018 in which last date Amendment of the Law Article 11 (A) & (O), 25 (A) and 25 (D).

Likewise, occasionally, Regional/ State Auditor General reports to the Chief Minister of State/Region and the Regional Parliament as well. OAG submit findings report to Government Departments in EITI process and State-owned Enterprises (SOEs). Even though, the Office of the Auditor General of the Union (OAG) do not publish the report to the public directly, OAG reports the information to PAC regularly and it will be published on the website of PAC. In addition, OAG participates in the press conference.

For the mining sector, there is no activity under loan.

For Oil and Gas sector, there is no request letter from MOGE to OAG in order to produce the report for loans. The revenue, receivables from debt return and whether it is correctly described have been audited. For World Bank and ADB's loans have been audited with the request letters from MOGE and so, OAG will audit it when respective ministries release request letter. For the next audited period, it will be earmarked for license allocation process to be audited.

ME-2 Comments:

There is no any comment for it. MSG needs to take time in order to implement this recommendation.

MOEE Comments:

- In the Oil and Gas sector, the Oil and Gas Planning Department (OGPD) is playing regulatory role while the Myanma Oil and Gas Enterprise (MOGE) is playing implementation role. The OGPD has been performing in accordance with the guidance of the Minister's Office for the contracts regarding the oil and gas blocks.
- Regarding the Audited Financial Statements, the State-owned Enterprises (SOEs) have been performing according to the laws promulgated by the Office of Auditor General (OAG)(49-b)

DOM Comments:

For the reform process for SOE sector, MGE is currently cooperating in this process.

MGE Comments:

For the reform process for SOE sector, MGE is currently cooperating in this process.



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Production

There should be independent review mechanisms in place to verify beneficial ownership of companies and production data. (2)

Significant differences were noted in the production volume reconciliation for gems and jade, and minerals. DOM, MGE, ME1 and ME2 should take initiatives to improve quality and completeness of production data for each gems and jade and minerals project through verification of revenue and production data.

We would recommend that reviews should include:

- Beneficial ownership of companies, including determination of whether BO rests with offshore entities or individuals and a determination of whether such ownership is legal.
- Production data by output, value and quality should be independently reviewed when possible and reconciled to sales and export data.

Agency

- DOM
- MGE
- ME1 and ME2

Agency Comments

ME-2 Comments:

There are differences in production data reported by government agencies and companies during the reconciliation phase. This is because of cut-off error.

DOM Comments:

- The variances occurred in checking / verification is cut off error due to the difference of financial period defined/ practised by the company and the Ministry.
- Regarding the Beneficial Ownership (B.O) it has been prescribed to describe on the 1.1.2020 without fail, it shall initially be performed with the companies participating in preparing MEITI 4th Report according to the decisions/ resolutions of Beneficiary Ownership Task Force and Multi-Stakeholders Group (MSG).

MGE Comments:

All the production volume extracted and produced within one financial year could not be sold in the gems emporium held in such financial year. Annual verification and reconciliation on the annual production accounts and sales/revenue accounts could not be done due to the need of storing of the gems and selling of the products based on the market demand/ requirement. There are differences in between the production volume and sales volume due to the following conditions: there are gems received in the past financial years included, low grade gems not meeting the standard set for the Gems Emporium are appeared when doing the cutting and polishing of the raw gemstone and there used to be weight losses of gems. The accounts of the department are held annually audited by the Office of Auditor General and monthly audited by internal auditors as well as inter departmental audit.



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Exports

Export data should be maintained and made readily available. (13)

Export data on volume and value by commodity is not publicly available although there is aggregated export data available in Central Statistical Organisation (CSO) Year Book 2017.

Although export volume and value are required to be reported to the respective government agencies, there is no proper recording or monitoring system and export data was not independently validated. For example, information on request for export recommendation was kept and the actual export data was not reported to the government agencies.

The government agencies should set out procedures for extractive companies to report on export by commodity in volume and value, accompanied with customs declaration forms for export to enable easy access to the export data.

For gems and jade, a significant difference was noted between the production volume and emporium sales volume.

The MONREC should also ensure that the export outside of emporium sales can be identified through its reporting system. In addition, the MONREC should also require the companies to report on the volume of inventory and perform periodic physical verification of the inventory.

Agency

- All Agencies
- MONREC

Agency Comments

ME-2 Comments:

ME-2 has already provided export data on minerals and revenues received to IA. In order to upload it on the website, ME-2 will coordinate with Department of Mines (DOM).

MOEE Comments:

In the Myanma Oil and Gas Enterprise (MOGE) has kept the daily production accounts and export accounts of companies. There is also an appraisal of the export accounts. In the Ministry of Commerce and Custom Department the export accounts are being kept. In the MOGE the custom declaration forms together with export accounts and data of companies are systematically kept and performed.

DOM Comments:

It shall be performed after studying the export data contained in such CSO Year Book 2017. Although our Ministries issue the Export License Recommendation, it is required to coordinate and perform with the Trading Department whether the goods are really exported or not.

MGE Comments:

All the production volume extracted and produced within one financial year could not be sold in the Gems Emporium held in such financial year. There are differences in between the production volume and sales volume due to the following conditions: there are gems received in the past financial years included, low grade gems not meeting the standard set for gems emporium are appeared when doing the cutting and polishing of the raw gemstone and there used to be weight losses of gems.

For the sales of gems from gems retail shops which got the license from the MGE, the shops sells the foreigners abroad with Cash Memo and the tax was collected at the time of exchanging the new Cash Memo.

For the domestic sales, the sales and tax payment were appraised when the shops renew their license terms/tenure. The sales of gems retail shops are checked one in every six months. It is therefore difficult to present financial year wise.



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Data quality and assurance

SOEs and government agencies should continue to address the prior years' recommendations for accounting and other system reforms, including implementing greater automation in recording of data and reduced reliance on manual records. (5)

During the data reconciliation process, we noted unreconciled differences relating to withholding tax and stamp duty payments reported by the extractive companies but not confirmed by IRD as IRD did not have such data readily available in respect of each tax payer.

MCD implemented automation of system in November 2016 commencing with Yangon which improved data quality, and unreconciled differences mainly arose in the period before November 2016.

DOM was not able to provide readily aggregated revenue data for not in-scope companies.

The first, second and third MEITI reports have included recommendations on improving the quality of data from government including reform, strengthening and computerising government accounting systems, and establishing a country-wide single database for companies with correspondingly unique Taxpayer Identification Number (TIN).

The SOEs and government agencies, in particular the IRD, should continue address the prior years' recommendations for accounting and other system reforms. Greater automation in recording of data and reduced reliance on manual records would improve the quality of data and hence increase the level of assurance in the reconciliation process.

Agency

- All Agencies

Agency Comments

MOEE Comments:

In implementing the works for the improvement and enhancement of the data quality by the State-owned Enterprises (SOEs) and the government departments, the Internal Revenue Department (IRD) as well as Myanmar Oil and Gas Enterprise (MOGE) are to be performed in cooperation. It shall be appropriate to establish and perform Computerized Accounting System by setting an accurate software programme for the systematization of the accounts and records and financial and technical assistance in this respect is needed.

IRD Comments:

IRD does not have capacity to meet this recommendation at present. Aggregate salary withholding tax information is available, however cannot be presented by industry segment. It will be possible with the successful deployment of relevant functionality in the new IT system (ITAS). This is not expected before 2020 at the earliest. Taxpayer IDs do not apply to payments of Stamp Duty according to the Myanmar Stamp Act. Therefore, this may be possible with the implementation of IRD's Integrated Tax Administration System (ITAS) at some point in 2020 or later years. In collaboration with DICA, unique taxpayer identification numbers are now issued to all corporate taxpayers. IRD has commenced the process for configuring and deploying its new IT system which will support its transition to a modern tax administration. However, taxpayers will not experience the effects of this reform before 2020.

In accordance with the Tax Reform Program of Internal Revenue Department, Ministry of Planning and Finance 2017-2022, the Data Centre is started establishing in Nay Pyi Taw and Yangon using the ITAS (Integrated Tax Administration System) for taxation. It will be practiced not only for the extractive industries but also for the other industries as per the project: MMPFM (Myanmar Modernization for Public Financial Management. At the LTO office, it has been performed with small scale computer system (Tax Revenue Management System-TRMS) and all organizations under extractive industries sector are recorded. At present the procurement of an Integrated Tax Administration System (ITAS) is under way. Although it takes several years to use in the whole country, a data base system can be drawn up and used for the policy objectives. IRD is doing the reform process in accord with the timeline, and the progress of prior recommendations concerned with IRD's reform has already been sent to MEITI-NCS office.

DOM Comments:

As there is no ring facing by project wise, a Ring Facing System regarding the mining sector should be established by the



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Transactions related to state-owned enterprises

Payments received from extractive companies should be transferred to OGDG on a timely basis. Amounts in overseas bank accounts should be reconciled to the earnings received and remittances made. (10)

We understand that the Shwe project has taken a loan under the name of Myanmar Foreign Trade Bank (MFTB) from China Development Bank. The revenue received by Shwe Project was paid to the MFTB's Euro currency account bank account in Germany and MFTB transferred the funds after leaving minimum amount of money that needs to be retained in the bank account. However, the amount that is required to be retained in the bank is not made available.

As set out in Section 3.5.5, the amount transferred by MOGE to the government agencies and Union Fund (OA) in FY2016-2017 is higher than MOGE's revenue received in FY2016-2017. This is related to the transfer from MOGE to OGDG where MOGE received the revenue from oil and gas companies (Posco Daewoo and SEAGP) at the MFTB bank account in Germany but transferred to OGDG at a later timing from the date of receipt of funds in its MEB bank account.

The below table sets out the MOGE's revenue based on invoices raised to POSCO Daewoo, the funds received in the EURO bank account, payment transfers raised by MFTB and amounts received by MFTB. The significant payment made from MOGE to OGDG in the Financial Year 2016-2017 is arising from the revenue received in the Euro bank account in previous financial years, but only transferred to MOGE's MFTB bank account in FY2016-17.

FY	Invoice amount USD'm	Euro Bank Receipt EUR'm	Euro Bank Payment EUR'm	Euro Bank Balance EUR'm	MFTB Receipt USD'm
2013-2014	64.44	55.54	-	55.54	-
2014-2015	339.27	270.17	(144.93)	180.78	104.72
2015-2016	356.68	324.29	(173.71)	331.36	134.97
2016-2017	269.81	245.18	(594.47)	(17.93)	531.10
Total	1,030.21	895.18	(913.11)	(17.93)	770.78

All payments received from extractive companies should also be transferred to OGDG on a timely basis. The amounts in the overseas bank account should be reconciled to the earnings received and bank transfers to OGDG to date.

Agency

- MOGE
- Treasury

Agency Comments

MOEE Comments:

- The minimum amount of money that needs to be retained in the Bank by the Shwe Project is in accordance with the terms agreed in the Loan Contract.
- Regarding the payments by the extractive companies, the OGDG is accepting and performing only the royalty and signature bonus relevant to the OGDG.
- The verification and reconciliation of the money transferred and earnings received by date wise was audited by the Office of Auditor General (OAG) every year.

Treasury Department Comments:

Regarding the recommendation 9.1, only Myanmar Foreign Trade Bank (MFTB) can be aware of this as the EUR Facility Agreement had been signed between MFTB and CDB on 30-11-2010 to implement Shwe Project with a loan taken from China Development Bank (CDB), the People's Republic of China.



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Distribution of extractive industry revenues

There should be clear policies and procedures over usage of extractive revenue collected by the Government agencies. OAG should audit all the bank accounts, including bank accounts of all the SOEs, and consider to make the audit reports publicly available. (14)

The SOEs Financial Management: No. Ba Kha – 3/ 20 (547/ 2012) dated 3 April 2012 sets out that with effect from 1 April 2012, the SOEs shall be operated commercially and on their own financial strength. The SOEs' profit and loss account shall be calculated based on the total revenues and the total expenditure, and the income tax on the profit must be paid according to the income tax law (25%) and 20% of profit shall be distributed to the Union. The surplus fund balance could be carried forward to the next fiscal year in the SOE's Union Fund Account - Other Account.

Sections 2.3.5.2, 2.3.5.3 and 2.3.5.4 sets out details of the UFA - OA for the extractive SOEs and it was noted that the total revenues received and total expenditure was budgeted as the Union revenue and allocated to the expenditure of the Union accordingly. The balance amount of the funds in the OA is treated as a liability to the government.

In 2019, the National Economics Coordination Committee (NECC) issued a decision which is approved by the Union Government, that in respect of the SOEs' Other Accounts, the annual surplus shall be transferred to the Union Government's Budget with effect from the fiscal year 2019/20. However, it is not clearly prescribed how the remaining surplus in Other Accounts at the end of FY 2018/19 would be dealt with.

We noted that the Union Government through MoPF has been coordinating with the relevant bodies issue notifications to prescribe the clear action plan for any surplus funds in Other Accounts at the end of FY2018/19 (e.g. transfer to Union Budget after budgeting for necessary amount to be retained in SOE for investment or expenditure purpose).

MoPF informed on 26 April 2019 that permission was given at the Union Government's Meeting on 14 March 2019 to adjust and transfer the funds in the Other Accounts of the SOEs into the Union Fund. Based on MoPF Letter SaBa/Finance-4/1/1(550-2019) dated 28 February 2019:

- All state-owned economic enterprises that have opened the Union Fund Account UFA-OA (Other Account) are to proceed only with the UFA-SEE account starting from the 2019-2020 Financial Year. All allocations and expenses must be incurred from UFA-SEE account within the permitted limit of Union Budget.
- Accounts associated with the Union Fund included in the balance of the Union Fund Account (UFA-OA) as of 30 September 2019 must be transferred to the UFA-SEE account after being inspected and approved by the OAG. All remaining balance of UFA-OA that has been inspected and approved by the office of the Union's Auditor General is to be adjusted and transferred, and UFA-OA Accounts must be closed.

We noted SOEs are not making quarterly payment of income tax. SOEs should comply and make quarterly income tax payments to the IRD

Spending policy and procedures from UFA (Other Accounts) were prescribed in the Citizen Budget that is publicly available. Changes in the UFA (Other Accounts) for the year were provided in the reporting template. Details of UFA (Other Accounts) were later provided by the SOEs. Based on the Audit Report on the Union Budget for FY 2016-2017 (previously available online), it was found that not all the bank accounts of SOEs were audited by the OAG. For example, MGE has five bank accounts and the number of other accounts audited by the OAG was reported as one.

OAG should audit all the bank accounts, including bank accounts of all the SOEs, and consider to make the audit reports publicly available.

Agency

- SOEs
- MOPF

Agency Comments

OAG comments:

OAG annually check the bank accounts (SEE and OA) that are included in the Union Budget and it also describes when reporting templates are verified. If the authorized persons requested for the auditing of the Union Fund Account-Other Account (UFA-OA) in accordance with the Auditor General of the Union law, OAG performs accordingly. For 2017- 2018 Fiscal Year, the SEE and OA accounts from MGE in the Union Budget and the one OA which is requested with official letter have been audited.

MOEE Comments:

- The tax/revenue for the Myanmar Oil and Gas Enterprise has been paid periodical wise in accordance with the fixation of the Internal Revenue Department (IRD). The Office of Auditor General (OAG) is verifying and reconciling the cash payments and cash receipts relevant to the tax payment. Within the departments of the MOGE and MOPF tax/ revenue and payment and receipt transactions are being performed with documents as well as soft copies. If these daily routine works are to be done paperless system it is required to make programming and design appropriate software accurately. The capacity building is also needed regarding the application of such software. For doing such work, the financial and technical assistance are needed. In order for the financial accounts to become digitalized system for the departments, the support and aid is needed to be provided by the Independent Administrator (IA).

MGE Comments:

MGE pay once in every three months according to the budget provision. MGE's annual Other Account (OA) and Accounts of State Economic Enterprise (SEE) are audited by the Office of Auditor General (OAG)



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Contribution of the extractive sector to the economy

The government agencies should consider systematic disclosure and regular update of employment data for the extractive industries on their websites. (4)

Employment data for all the extractive industries is not available. The employment data disclosed in this report is based on the data reported by the reporting entities. We recommend that the respective government agencies should require periodic (or at least annual) reporting of headcount at the extractive companies and within the government and maintain employment information for the sector.

The government agencies are also encouraged to consider systematic disclosure and regular update of extractive data on government websites, including employment data for the extractive industries. We understood that the DOM has already published employment information on their website.

Agency

- All Agencies

Agency Comments

ME-2 Comments:

The employment data of companies that were jointly implemented with ME-2 during the fiscal year of 2016-2017 has already been sent to MEITI-NCS office dated 22nd April, 2019.

MOEE Comments:

- In the Myanmar Oil and Gas Enterprise, there are staff/ employees statements/records for those companies joint ventured with MOGE.
- Independent Administrator (IA) need to help and provide Reporting framework for systematic keeping of records/statements in the department according to the EITI requirement and in order for posting updates on the webpage as the companies are currently keeping the staff/employees record according to their own formats and arrangements shall be made in coordination/cooperation with the relevant organizations in order for systematic keeping of staff records/statements in accordance with such framework.

DOM Comments:

It has already been sent to the NCS Office.

MGE Comments:

As the staff/ employees records/statements are kept monthly basis and used to send it to the Ministry once in every three months (quarterly), such records/ statements shall be presented/ posted once in every three months on the department's Website in the future.

DGSE Comments:

Regarding employment data of extractive industries to be disclosed and updated on government websites, DGSE has already sent employment data for 2016-2017 Fiscal Year



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Social expenditures by extractive companies

A formalised reporting framework for mandatory CSR expenditures should be implemented to facilitate consistent reporting of information required by the EITI Standard. (15)

MOGE has published discretionary CSR expenses of the companies operating on their website. However, there were inconsistencies in the reporting templates, reporting periods, currencies etc. The other extractive sectors do not publish discretionary CSR expenses of the companies operating under them. There is no mandatory CSR expense at present other than MOGE's 2% Mandatory CSR Expenditure.

The government agencies should adopt a formalised reporting framework for the companies so that consistent information is available for reporting.

There should also be full disclosure on the beneficiaries of mandatory CSR expenditure in accordance with EITI requirement 6.1 by the companies or SOEs.

Agency

- MOEE
- MONREC

Agency Comments

ME-2 Comments:

Companies reported their CSR activities which were implemented until the current reporting period, and after contracting with the companies in accordance with 2018 Mining Rules, they will provide more accurate data.

MOEE Comments:

- For those projects operating and implementing the oil and gas works, the Corporate Social Responsibility (CSR) works are being performed by the companies in accordance with the guidelines given by the Myanmar Oil and Gas Enterprise (MOGE). The CSR programmes being implemented by the companies have been described and presented in their annual reports.
- For the systematic recording and performing of the CSR programmes done by the companies and the MOGE, Independent Administrator (IA) is requested to fix and provide the Reporting Framework and the coordinated performance must be made with relevant organizations for the similarity/uniformity of report in line with such framework.

DOM Comments:

In the past EITI Reports, it was described as it was presented by the company and if the contracts are to be signed and performed, the rules for CSR have already been prescribed according to the new Myanmar Mines Rules promulgated in 2018 in order to systematically manage the expenditures of Corporate Social Responsibility (CSR)

MGE Comments:

Regarding the Corporate Social Responsibility (CSR), it is fixed to use 2% of the total investment in the 2019 Myanmar Gems Law and it is being performed in inclusion of such provision in the Myanmar Gems Rules, which is under drawing.

DGSE Comments:

For adopting a formalised reporting framework for the companies' CSR activities, DGSE accepts it.



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EITI Reporting Period

MSG should have early discussion to determine the periods to be covered for the next MEITI reports. (16)

In November 2017, the government announced a change in the Myanmar fiscal year to the 12 month period from 1 October to 30 September. The Union Taxation Law 2018 ("UTL 2018") which is effective from 1 April 2018 also sets out further guidance stating that for all taxpayers apart from the state-owned enterprises, the fiscal years shall be the period from 1 April 2018 to 31 March 2019, followed by 1 April 2019 to 30 September 2019 and only thereafter the government fiscal year is to be adopted starting from 1 October 2019.

In view of the change in fiscal year and the different fiscal years for private companies and the government during the transition period (i.e. government fiscal period is from 1 April 2018 to 30 September 2018 followed by 1 October 2018 to 30 September 2019) the MSG should start early discussion on the periods to be covered for data reconciliation for future MEITI reports.



Agency

- MSG



Agency Comments

MSG Decisions:

According to 20th MSG meeting decisions number 13, regarding with the reporting period for 5th MEITI report to cover 12 months or 18 months due to changes in fiscal year, it is decided that it need to consult with the International EITI Secretariat and tentatively it is decided to cover just 12 months due to the extension issues.

After that, NCS consulted with the International Secretariat and they replied to us as follows:

The international secretariat's advice on this matter is that the 5th Myanmar EITI report should cover the 12-month period from April 2017 – March 2018. This report will be due by 31 March 2020.

After that, you have two options. You can either do a one-off report covering six months, and then move to the new calendar for the following reports. An alternative would be a one-off report covering 18 months, but with this option we will need to further discuss the deadline to make sure data submitted is not older than 2 years. We therefore suggest you go for the first alternative for the 6th Myanmar EITI report, which would then cover only six months.

However, if you do go for a solution where the 6th report only covers six months, we suggest that for the procurement of the next IA you include (in the ToR) that the same IA works on both the 5th and 6th report.

In 21st MSG meeting conducted on 3 May 2019, MSG decided that 5th MEITI report to be covered only 12 months from 1 April 2017 to 31st March 2018 and 6th MEITI report will cover only 6 months from 1 April 2018 to 30 September 2018 and then 7th MEITI report will be followed by 1 October 2018 to 30 September 2019 with the same Independent Administrator for 6th and 7th MEITI reports.

MOPF Comments:

It is to be carried out that all taxpayers will be levied taxes with effect from 1st October, 2019.

4.2 Follow Up of Prior Years' Recommendations

The first, second and third MEITI reports highlighted the below key findings and recommendations. The status of the implementation and progress update from the respective agencies are set out in the table below.

Agency		Recommendation from the 1st, 2nd and 3rd Reports	Prior Year Progress and Comments from Agency	Implemented (Yes, No, Ongoing, Partially)	Current year Progress and Comments
1	OAG	<p>Reliability of the data reported</p> <p>According to EITI Requirements, the reliability of data is one of the critical points for the evaluation of a country's transparency and consequently one of the important criteria during the compliance process.</p> <p>The Office of the Auditor General do not publish any reports relating to audits carried out on Government Agencies. We requested audit reports from OAG for the Government Agencies involved in the extractive sector and these documents are not available for the public.</p> <p>With the purpose of ensuring the reliability of financial information relating to the extractive sector in accordance with international standards we recommend to review the regulation to make OAG reports publicly available in order to raise awareness and importance of the extractive sector in Myanmar.</p>	<p>OAG communicated to the IA all the audit reports of the Government Agencies and SOEs involved in the EITI process for the fiscal years 2014-2015 and 2015-2016.</p> <p>However, these reports are not publicly available.</p>	Partially	<p>Comments from IA</p> <p>Similar to prior years, the OAG audits the government agencies and SOEs but the complete audit reports are not publicly available. However, OAG published the review of the audit report on the Pyidaungsu Hluttaw website.</p> <p>During the current year, we understand that the OAG does not audit all the bank accounts of the SOEs. Please see current year recommendation number 12.</p> <p>Comments from OAG</p> <p>According to the Auditor General Law Article 11 (A), the Office of the Auditor General of the Union (OAG) has to submit the audited findings of financial returns/budget data in Pyidaungsu Hluttaw or Pyithu Hluttaw or Amyotha Hluttaw at least once a year. If there is any urgent thing, OAG reports occasionally.</p> <p>According to Article (O), OAG reports the audited activities to the President of the Republic of the Union of Myanmar at the same time to the Myanmar Union Parliament. The OAG send the report to the Public Account Committee (PAC). After the PAC has done the analysis, verification, and evaluation on the report submitted by OAG, the report will be published on the website of PAC https://pyidaungsu.hluttaw.mm/reports.</p> <p>Regional/ State Auditor General reports to the Chief Minister of State/Region and the Regional Parliament as well.</p> <p>OAG follows the enacted Law, Rules and Regulations.</p> <p>The Auditor General of the Union Law 2010 was amended in 2013, 2014 and 22-Jan 2018 in which last date Amendment of the Law Article 11 (A) & (O), 25 (A) and 25 (D).</p>

Agency		Recommendation from the 1st, 2nd and 3rd Reports	Prior Year Progress and Comments from Agency	Implemented (Yes, No, Ongoing, Partially)	Current year Progress and Comments
					<p>Likewise, occasionally, Regional/ State Auditor General reports to the Chief Minister of State/Region and the Regional Parliament as well.</p> <p>OAG submit findings report to Government Departments in EITI process and State-owned Enterprises (SOEs). Even though, the Office of the Auditor General of the Union (OAG) do not publish the report to the public directly, OAG reports the information to PAC regularly and it will be published on the website of PAC. In addition, OAG participates in the press conference.</p>
2	IRD	<p><u>Delay in issuing CIT payment receipts</u></p> <p>CIT payment receipts are issued by IRD with considerable delay. In fact, extractive companies do not receive payment receipts upon money transfer. Payment receipts can be issued by IRD with a delay that can reach one month. The gap between the payment/transfer date made by the extractive companies and the accounting records of the IRD causes significant discrepancies in the reported data. Several companies reported CIT final payment for the year 2013-2014 and presented proof that transfers were made during March 2014. The IRD did not report these payments as receipts were issued during April 2014 which is outside the reconciliation period.</p> <p>We recommend that CIT payment receipts are issued upon receiving transfers from companies. This will avoid cut-off errors in the reported data. IRD should review the process and identify weaknesses that causes the delay in producing the receipts.</p>	<p>IRD implemented some actions in order to address the issue of delayed payments receipts related to the payment of the Income Tax. These actions are described in the following IRD comment:</p> <p><u>IRD comment:</u></p> <p>IRD has made the following efforts to urge companies for tax compliance:</p> <ul style="list-style-type: none"> - Informed to submit income declaration form - Invited for investigation in accordance with their annual tax payment - Checked the submitted reports - Asked to provide more information if required - If completed, calculated the amount for taxation (need to pass different levels of authorities) - Having calculated the amount to be taxed, recorded in a register and made entries in e-RTS, issued Tax Requisition Form (Pa Ta Kha (oc)-(8) as per the provision 53 of the Income Tax Law and three-folds chalan for payment - Companies need to pay taxes at the respective Myanmar Economic Bank once they got a chalan. One piece of chalan is to be kept by the tax payer whereas the other one will be kept by the respective bank and the rest by the respective IRD office. <p>If the tax payer paid the tax in foreign currencies in 2013-2014, they had to pay taxes at Myanma Foreign Trade Bank (MFTB) or Myanma Investment and Commercial Bank (MICB), then needed to forward the P.O to the respective IRD offices due to the fact that foreign currency accounts can't be opened up at those offices at that time. Only then has the P.O been received, the IRD offices issue a chalan which states equivalent kyats of corporate</p>	Ongoing	<p>Comments from IA:</p> <p>We understand that the IRD is in the process of improving its systems and processes as well as undertaking significant reforms and issuing Tax Administration Bill which includes requirement for Tax Identification Number (TIN). We understand that the IRD will include extractive industry in the new Income Tax Bill and the IRD has started using TIN for the companies under self-assessment system. See current year recommendation number 5.</p> <p>Comments from IRD:</p> <p>March 2019 update:</p> <p>Current capacity levels within IRD present continuing challenges for timely processing. This will be further exacerbated by the need to process twice the volume of transactions as result of the introduction of a transitional six month tax year from 1 April to 30 September 2019. Present efforts to deploy a new IT system with operational effect from sometime in 2020 will drive a major overhaul of IRD processes and procedures for greater efficiency and improved processing timeliness. However this will present immediate benefits for those taxpayers operating under the Self-Assessment System. Expansion of this population will occur in the period 2020-22.</p>

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		income tax to be paid, whereby tax payers can deposit the tax amount as per the chalan at the nearest Myanmar Economic Bank. That's the main reason of why actual payment date and chalan issued date are different. However, after large taxpayers' office have been set up since 2015, unnecessary bureaucratic procedures are being cut off for tax payers to pay tax more easily.		
3	<p><u>Future EITI scope</u></p> <p>EITI requirement 4 requires the production of comprehensive EITI Reports that include full government disclosure of extractive industry revenues and disclosure of all material payments to government by oil, gas and mining companies. We make the following recommendations which MEITI could consider in this context:</p> <ul style="list-style-type: none"> • Include the production in the reconciliation process; • extending the coverage of the Gems and Jade sub-sector revenues by including all revenues collected and not only those received from emporium; and study the possibility to include hydro, forestry, fisheries and others; • reconcile revenues collected by SOEs from companies with the transfers made by SOEs to the MoF; • extending the coverage of the report by reducing the materiality thresholds and by considering other relevant criteria for Gems, Jade and other minerals; • include transportation revenues in the reconciliation scope; and • disclosure of social expenditures desegregated by project and beneficiary; <p>In setting its annual work plan, MEITI should cover the extractive sector in full and consider the progressive extension of the EITI scope.</p>	The scope of the second and third Myanmar EITI reports was widen by the inclusion of payments from Gems and Jade sector beyond the emporium and the Oil and Gas transportation companies and by reconciling the production and exports data. We understand that Myanmar is preparing its First EITI forestry report as well.	Ongoing	<p>Comments from IA:</p> <p>Production, transfer from the SOE to the government agencies and oil and gas transportation revenue are included in the reconciliation process of the Fourth MEITI report. Social expenditures disaggregated by company and by beneficiary is disclosed in the Fourth MEITI report. Pearl sector was included in the Fourth MEITI report.</p> <p>However, gems and jade sales outside of Emporium is not covered in the Fourth MEITI report.</p> <p>We understand that first MEITI report on forestry has started and hydro is under consideration.</p> <p>The MSG could also consider extending the scope of reconciliation for oil and gas downstream where only unilateral reporting was obtained from MOGE for the revenue collected for the Oil and Gas downstream sector this year.</p> <p>Comments from MGE:</p> <p>In 4th MEITI report, the reporting template was filled up with allocation of permits, production, payment of jewellery tax, sales at emporium, permit order, in-kind share, social responsibility, income tax payment and environmental conservation. Also, details of UFA (OA)'s earnings and expenses with extended scope was included in the template.</p>
4	<p><u>Definition of the Beneficial Ownership</u></p> <p>The 2013 EITI Requirement recommends that beneficial owners of companies which bid for, operate and/or invest in the extractive industries are made public (see below for EITI standard provisions on beneficial ownership). This is a mandatory requirement for government and state owned enterprises, and could become a</p>	A definition of Beneficial Owners (BO) and Politically Exposed Persons (PEP) has been set up by MSG for the 2nd and 3rd MEITI reports. The extractive companies include in the scope of reconciliation of these reports have requested to disclose information about BO and PEP. However, MSG decided that this disclosure is voluntary. We noted that all the companies (when applicable)	Ongoing	<p>Comments from IA:</p> <p>BO task force was formed through notification number 60/2018 issued on 30 June 2018 and it is composed of directors from different government agencies such as the DICA, the CBM, the Financial Institution Unit and the Anti-Corruption Commission. A BO roadmap was drafted. According to the MGE, the BO pilot project was</p>

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	<p>requirement as from 2016 for private or unlisted public companies, including partners in joint ventures.</p> <p>Myanmar does not currently have a publicly available register of the beneficial owners of the corporate entities that bid for, operate or invest in extractive assets. A brief on the proposed definitions for Beneficial Ownership and Politically Exposed Persons was circulated to Steering Committee members at the MEITI scope validation meeting but has yet to be further discussed at the Committee level.</p> <p>The appropriateness of the beneficial ownership definition proposed in the scoping report needs to be addressed by the MSG on the basis that EITI multi-stakeholders will give their feedback in order to agree the percentage shareholding in a company that a person has to hold or controls in order to qualify as a beneficial owner and take necessary action to implement the beneficial ownership reporting process. The MSG should also agree whether Politically Exposed Persons, who otherwise benefit financially from the company, are also considered to be beneficial owners."</p> <p>In this connexion and after agreeing the BO definition and reporting process, we recommend that MEITI Secretariat should ensure that reporting entities are made aware of the importance of the BO declaration. Particular attention should be given to the ownership of companies which are not owned by listed companies or SOEs.</p> <p>Furthermore, we strongly recommend that training should be provided to companies on BO reporting requirements. During training, the BO template should be presented and instructions and guidance notes should be provided for the preparation of BO declaration.</p> <p>It is also recommended that MSG launches a consultation with Government along with extractive industry companies engaged in the country to agree a standard format for companies to display, substantiate and update ultimate beneficial ownership information according to EITI Requirement 3.11. For this purpose, the MSG could consider the setting up of a sub-committee</p>	<p>failed to disclose information about BO and PEP in their reporting templates.</p> <p>There is no register of Beneficial Owners in Myanmar.</p> <p>MOGE comment: A consultative workshop was organized in Novotel Hotel on 23rd and 24th of March 2017 and international companies were also invited to submit their expression of interest for the beneficiary ownership.</p> <p>DICA comment: - Disclosing the information of an approved investment project at www.dica.gov.mm within 24 hours after the MIC meeting that approved the project, organizing a press conference, uploading investment information by sectors as well as by countries are being conducted. - List of companies registered at DICA is also being uploaded in the DICA's website (www.dica.gov.mm). - The DICA is coordinating with Mspiral International Design and Web Development Agency for the betterment of the DICA's website thanks to the supports of GIZ. - There is no separate section yet at DICA for registering beneficial owners of the cooperate entities. - According to provision 38 of the Myanmar Investment Rules (MIR) enacted on 30th March 2017, it is mentioned that an investor needs to submit a summary of proposed investment in which it is a must to include information regarding the investor and any other person holding a significant direct or indirect interest in the investment and provide other information as directed by the commission if necessary. - The provision 45 of MIR also states that the commission can publish the summary of the proposal for public awareness. - In addition, the provision 199 of MIR also calls for publication of an annual report submitted by an investor within three days after submission on the investor's website or DICA's website for public information.</p> <p>MONREC comment: In order to submit a beneficial ownership (BO) road</p>		<p>completed in 2018. BO information was requested in the template as voluntary disclosure and no one reported BO information. We understand from the validation report that implementing countries are not required to report BO and that there are three gaps in BO definition application in SOEs, public listed companies and confidentiality issues. It is required to meet BO requirements by 2020.</p> <p>Comments from MGE:</p> <p>Five gems companies were part of BO pilot project. Two MGE officials are currently involved with the BO Task Force.</p>

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	in which Civil Society Organisations, regulators, companies, experts and other stakeholders are represented. This committee will allow for an exchange of information on the effectiveness and future developments of disclosure rules and regulations.	map to the international EITI secretariat office on 31st of December 2015, a road map was drafted in a workshop with the presence of the government, the civil society (MATA), the private sector (MFMA) and Natural Resource Governance Institute (NRGI) on 15th of December 2016 at Royal ACE Hotel in Naypyidaw. The draft BO road map was then reviewed in a two-day review workshop organized at Novotel Hotel in Yangon in last March (23-24 March 2017) by presenting all important stakeholders such as the government, MATA, MFMA and NRGI together with Ms. Gay from EITI secretariat office and Ms. Shona from the World Bank, so as to have the road map finalized. In addition, the ministry is also negotiating with subcommittee and MSG in order to hire a BO Consultant.		
5	<p><u>Military holding companies</u></p> <p>The EITI Standard requires the disclosure by SOE(s) their quasi-fiscal expenditures such as payments for social services, public infrastructure, fuel subsidies and national debt servicing and to develop a reporting process with a view to achieving a level of transparency commensurate with other payments and revenue streams, and which should include SOE subsidiaries and joint ventures. SOEs are also required to disclose their level of beneficial ownership in mining, oil and gas companies operating within the country's oil, gas and mining sector, including those held by SOE subsidiaries and joint ventures, and any changes in the level of ownership during the reporting period.</p> <p>We understand that the two large military holding companies, UMEHL and MEC, hold important positions in Myanmar's economy, including in the mining and gems sectors. We also understand that these two conglomerates which report to the Directorates of the Defence Services are organised under laws which provide protections and privileges to state-based companies. We also understand that until 2014, these companies were exempt from certain taxes and contributions applied for private mining companies.</p> <p>We recommend to address the issue whether UMEHL and MEC should be treated as SOEs for the next EITI Report and included in the scope,</p>	<p>MEC has been selected in the reconciliation scope of the 2014-2015 and 2015-2016 MEITI reports in application of the materiality thresholds described in the Section 4 of this report.</p> <p>Payments received from UMEHL will be included in the report through unilateral disclosure from Government Agencies and SOEs.</p> <p>However, MSG may consider Military Holding companies and their subsidies as specific entities which are risky and therefore should be subject to higher level of scrutiny, including request to submit an auditors' specific attestation, specific interviews, and / or analysis and auditing of specific transactions within their accounts.</p>	Partially	<p>Comments from IA:</p> <p>MEHL is a public listed company and MEC is a private company registered at the DICA. MEHL and MEC as well as their subsidiary companies with material payment flows are included in the scope of reconciliation this year as extractive companies. They both have minerals permits and gems and jade permits operating in FY 2016-2017. Please see current year recommendation number 10.1 and 10.2.</p> <p>Comments from MGE:</p> <p>Union of Myanmar Economic Holdings Limited (UMEHL) and Myanmar Economic Corporation (MEC) are involved in gems extractive industry. They were part of the scoping study from FY 2013-14 to FY 2016-17 and filled up the reporting templates.</p>

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	<p>irrespective of the materiality threshold. Accordingly, these companies will be required to disclose:</p> <ul style="list-style-type: none"> · prevailing rules and practices regarding their financial relationship with the government; · level of beneficial ownership in mining, oil and gas companies; · payments and contribution to the national budget; · their quasi-fiscal expenditures such as payments for social services, public infrastructure, fuel subsidies and national debt servicing; and · transactions relating to loans or loan guarantees granted to mining, oil and gas companies operating within the country. 			
6	<p><u>Publication of statistics and information on the extractive industry</u></p> <p>The EITI standard stipulates the disclosure of contextual information and regulations in the extractive industry, including the disclosure of:</p> <ul style="list-style-type: none"> · an overview of the extractive industry in terms of reserves, regions, current structure and size, significant exploration activities etc.; · contribution to the economy in terms of employment and export levels; · government revenues generated by the extractive industry and funds earmarked for specific programmes / geographic regions and sub-national transfers; and · public information on license allocations, register of licensees, beneficial owners, contract terms, etc. <p>Currently, Myanmar EITI Secretariat does not have a comprehensive database including extractive operators, contextual information and statistics on the sector. The contextual information in this report was collected from dispersed sources and meetings held with Government Agencies. Most of the information collected is not available to the public. Some analyses were limited due to the lack of statistics in the sector such as employment. We also noted that many figures such as exports and production vary from one source to another (See Section 3.11 of this report). In order to enhance the integrity, accuracy, reliability and accessibility of contextual</p>	<p>Except the information communicated for the purpose of preparation of the 2nd and 3rd MEITI reports, we did note any progress in the publication of contextual information related to the extractive sector by the Government Agencies.</p> <p>MOGE comment:</p> <p>The Myanmar Investment Commission has already enacted the Myanmar Investment Law, in which how employment shall be done by investors to have a balance between international and local personnel is explained. Besides, taxes gained from extractive companies and SOEs are being paid to the Ministry of Planning and Finance on a monthly basis as well as an annual basis whereas those facts and figures are also being publicized through CSOs.</p> <p>MONREC comment:</p> <p>The statistics and information regarding the government revenues generated from the extractive industry and funds allocated for separated plans; license allocations and registration; law, related rules, orders and instructions and sample contracts have been sent to Moore Stephens that will do independent reconciliation for the second MEITI reporting. That information will be officially disclosed to the public once through organizing press conferences and launching event. In addition, the website (www.mining.gov.mm) has been being updated with statistics of cadastral mines licensed by the ministry since May 2015.</p>	Ongoing	<p>Comments from IA:</p> <p>We agree on the comments provided by the SOEs. Minerals sector has initiated implementation of mining cadastre system and published context information such as list of permits operating and expired, production, etc. Gemstone sector has developed a website called openjade and drafted gemstone policy statements.</p> <p>However, information such as employment, revenue from extractive industry are not readily available. In addition, we still have difficulties in getting coordinates of gemstones sector. Please see current year recommendation numbers 1, 4, 9 and 13.</p> <p>Comments from ME1:</p> <p>Regarding with the publication of statistics and information on the extractive industry, the production data, permits, and lists of blocks related with No.1 Mining Enterprise are published on department website.</p> <p>Comments from MGE:</p> <p>In order for a mineral cadastre system, the Mineral Cadastre Working Group led by the Department of Mines was formed and trainings are underway. Two MGE officials are in the Working Group. A jade website, www.openjadedate.org, was completed with the cooperation between the MGE and Natural Resource Government Institute (NRGI) and launched in Yangon in May 2018. It is publicly available now.</p>

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	<p>information, we recommend that MEITI Secretariat, MoM, MoE and CSOs publish contextual information at least annually including: the industry potential, the contribution to the economy, the strategy for the sector, relevant events and facts, current regulations and upcoming changes, amongst others.</p> <p>We also recommend that the MSG assists the EITI Secretariat with adequate resources in order to consider implementing reporting requirements that are similar to the international directives regarding accounting and transparency.</p>			<p>Based on the nature of gemstone sector in Myanmar, the Supporting Committee on gems sector will pay attention to Policy Making Theory that incorporates the following points.</p> <p>(A) Agenda setting/ Identification of issues or problems)</p> <p>(B) Policy formulation</p> <p>(C) Policy adoption/ legitimization</p> <p>(D) Policy implementation</p> <p>(E) Policy assessment/ evaluation</p> <p>Plans on Myanmar gemstone policy monitoring and evaluation, and implementation will be included in Chapter (5) and (6) of the Myanmar Gemstone Policy.</p> <p>Comments and suggestions are being requested on 36 policy statements of the Myanmar Gems Policy, which have been approved as final draft.</p> <p>Comments from DOM</p> <p>Although there is no publication on statistics and information on the extractive industry, state-owned enterprises of Ministry of Natural Resources and Environmental Conservation (MONREC) such as Mining Enterprise 1 (ME1) and Mining Enterprise 2 (ME2) upload and update their production data and open tender system on the website of www.mining.gov.mm monthly and on a year basis. The statistics and information regarding the government revenues generated from the extractive industry and separated plans allocated from Other Account (OA); license allocations and registration; law, rules, regulations, orders and instructions and sample contracts have been sent to Moore Stephens through MEITI-NCS for 2nd and 3rd MEITI reports. As the press release and report launches for the 2nd and 3rd MEITI reports have been done, the public awareness has been raised. The up to date information on the mining area lists and data are published on the Ministry's website www.mining.gov.mm since May, 2015. The initial registration team accepted the mineral areas application since 1-8-2018 and the application lists are published up to date on www.mining.gov.mm.</p>

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7	<p>Register of licenses</p> <p>The EITI Standard requires implementing countries to maintain a publicly available register or cadastral system including comprehensive information regarding each of the licenses pertaining to companies covered in the EITI Report. This register should cover the following information:</p> <ul style="list-style-type: none"> i. license holder(s); ii. coordinates of the license area; iii. date of application, date of award and duration of the license; and iv. in the case of production licenses, the commodity being produced. <p>We noted that the current permit register has the following weaknesses: i) it is not available online; ii) transfers of mineral rights are not computerised; iv) intensive manual manipulation required to extract the list of licenses; v) licences are not systematically pre-numbered.</p> <p>We recommend that the Mining Cadastre ensures that all records are computerised and kept up to date. This would then allow the generation of reports of all licensed operators with relevant details.</p> <p>An online cadastral system should be installed, which includes information on coordinates of concessions and transfers of mineral rights as well as fees paid. The MoM and the MoE should have official online cadastre maps with details of licences.</p>	<p>The progress on the implementation of unified Mineral Cadastre System is described in the FY2015-2016 IA report.</p>	Ongoing	<p>Comments from IA:</p> <p>The MOGE has provided a list of contractors with information on name of contractors, coordinates, date of signing, duration of the contract and the name of partners with participation interest.</p> <p>The mining enterprises provided a list of permits with information on the name of permit holders, date of meeting, date of award, duration, area, location, coordinates and type of commodity.</p> <p>The MGE provided a list of permits with information on the name of permit holders, date of application, date of award, duration, area, location and type of commodity. However, the MGE could not provide coordinates due to the significant number of permits but will have coordinates information in the future.</p> <p>The MPE provided a list of licenses with information on the name of license holders, duration, area, location, coordinates and type of commodity.</p> <p>We have more information from the SOEs compared to the previous years. Please see current year recommendation number 9.</p> <p>Comments from ME1:</p> <p>In register of licenses, MONREC initiate for the implementing Mineral Cadastre System under the management of Ministry.</p> <p>Comments from MGE:</p> <p>Myanmar Gemstone Law was enacted on January 30, 2019 and the development of Myanmar Gems Rules are in process. After that, the MGE will follow in accordance with rules.</p> <p>Comments from DOM</p> <p>The consultant Mr. Enrique Ortega was hired with the World Bank's funding in order to establish the Mining Cadastre System for Myanmar EITI process for 2017-2018 Fiscal Year. He visited to Myanmar three times and has performed the consultation for Mining Cadastre process and presented the recommendations. According to his recommendations, the Pre Cadastre Working group was first established with (11) staffs and Mr. Chorn</p>

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				<p>Nak was hired as the consultant. The Mining Cadastre Working Committee of the MONREC, including the (9) senior officials, is established and led by the Director General of the Department of Mines (DOM) under the notification no. (13/ 2019) dated 17-1-2019.</p> <p>Comments from MOEE: The JV companies working on the onshore/ offshore Oil fields are permitted with Myanmar Investment Commission (MIC) Permit, not under licensing system.</p>
8	<p><u>Government accounting systems</u> During the reconciliation work, we noted that government accounting systems are not always set up in such a way that it is easy for Government Agencies to provide information required for EITI purposes and to report on a timely basis. The records in departments and SOEs under the MoF, the MoM and the MoE are kept using manual systems. This made the collection of information time-consuming and prone to error. It also makes management of the information and the control over Government revenues more difficult. Government Agencies do not use Tax Identification Number. Payments are recorded in most cases using companies' names. In several instances, we noted that payments were allocated to the wrong company because the company name was misspelt or because the company name is similar to other companies. This renders the identification of payments per company laborious as payments can be made by other entities on behalf of the company. We recommend that the Government introduces appropriate computerised systems to record and control information relating to taxation and revenues. We also recommend that the Myanmar Tax Authorities (IRD and Customs Department) implement the use of Unique Tax Identification Numbers for all taxpayers in order to avoid unnecessary confusion and mistakes. TIN would also lead to information being reported reliably and efficiently.</p>	<p>Many reforms with relation to the government accounting system are being implemented by the different Government Agencies. These reforms are as follows: IRD comment: A reform process is being undertaken in IRD to have a modern and effective tax management system installed since 2012 with the supports of international organizations such as IMF, World Bank, ADB, ITIC, JICA, OECD and OTA (USA). Two strategies employed in tax reforms include the transformation of taxation system from OAS to SAS, and from current commercial tax system to value added tax system. Similar to other countries, large taxpayer office (LTO) has been set up to enhance transitions towards SAS system since 1st April 2014 and a counsellor from USOTA has been recruited to help the system be in place. Based on the suggestions of international experts from LTO, taxpayer identification numbers (TIN) have been issued using tax revenue management software (TRMS) as taxation software is not yet ready. Likewise, TINs have been granted to medium taxpayers as well from medium tax payer office (MTO). Besides, TINs are being issued to tax payers who want to start using SAS system in accordance with the tax they pay. In order to develop a digital taxation system, IRD is preparing to procure integrated tax administration system (ITAS), which is a commercial off-the-shelf taxation system based on international taxation standards, with the World Bank loan and supports for Myanmar modernization of public financial management project (M-MPFMp) and with the technical expertise being provided by the tax administration and IT experts from the World Bank</p>	Ongoing	<p>Comments from IA: Set noted in section 3.1.3, several agencies continued to apply manual procedures in data preparation which lead to delays in reconciliation process and increases risk of errors. See current year recommendation number 3.</p> <p>Comments from ME1 : For Government Accounting system, ME 1 does not have comments because the Ministry have submitted the implementation progress.</p> <p>Comments from MGE: Starting the 56th Myanma Gems Emporium in 2019, jades lots for display/ sale are only accepted with company names under the company registration list of Directorate of Investment and Company Administration (DICA).</p> <p>Regarding license allocation and registration, the list of worksites that are considered vacant after the end of permit duration is uploaded to www.mining.gov.mm on monthly basis.</p> <p>Information on production and sale is being computerized.</p> <p>Comments from IRD:</p> <p>March 2019 update: In collaboration with DICA, unique taxpayer identification numbers are now issued to all corporate taxpayers. IRD has commenced the process for configuring and deploying its new IT system which will support its transition to a modern tax administration. However, taxpayers will not</p>

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		<p>and IMF. Electronic taxpayer registration system being part of the ITAS, transitions towards the employment of TIN could be properly implemented in accordance with the tax reform plan.</p> <p>MOGE comment: MOGE has started using a computerized accounting system for salary payments and store accounting in the Head Office and the offices in Yangon Region. When the Naypyitaw Head Office uses a computerized accounting system for monthly reporting of cash budget, commercial budget, trial balance, etc., to the higher authorities and in preparing annual balance sheet, field offices can only employ a computerized accounting system for other accounts rather than salary payments and store accounts.</p> <p>DICA comment: With regard to the introduction of an appropriate computerized system, information of the companies registered at DICA are being recorded using a company registration software developed by Myanmar Information Technology Co., Ltd. DICA is coordinating with the ADB to implement an electronic registry system. DICA is working closely with Data Focus Co., Ltd. to be able to set up an investment database starting from the budget year 2017-2018. In addition, a FDI Pilot Survey is being conducted in order to have a reliable information with the financial supports of EU-ASEAN COMPASS and the technical supports of IMF. Capacity building trainings are also being provided to the staff for documentation and database development.</p> <p>MONREC comment: Since it is planned to include the information about computerized mining cadaster (MCS) that can record all license information in one place in the second MEITI report, the World Bank has committed to support one million dollars for MEITI implementation in 2017-2018. Evidently, the ministry has learnt that one million dollars has now been budgeted by the bank for MCS. At the same time, Mr Morten Larsen, a mining specialist, and Mr. Jesus Jose Artieda, GIS & Cadaster Consultant from the World Bank visited to the ministry in last October 2016 and conducted a pre-feasibility study</p>		<p>experience the effects of this reform before 2020.</p> <p>Comments from DOM The Fiscal Modelling Workshop was held with the collaboration of DOM and Natural Resource Governance Institute (NRGI) to have the accurate tax for the State, to be more beneficial in comparing the projects including the production expenditures, to record the information related to the revenues. Under our Ministry, the communication between departments has been done via the online system, e-government system, computerized database and the departments are cooperating to implement the Mining Cadastre System.</p> <p>Comments from Customs: 1. Regarding export import under the Myanmar Custom Department, a good international practice: Myanmar Automated Cargo Clearance System (MACCS) was initially implemented in Yangon area and Myawaddy Trade Zone in November 2018 and June 2018 respectively. The import companies have first to do User Registration on MACCS. When require documents are completed, Importer/Exporter Codes (IE Code) are issued to the companies. Those IE Code represents individual company like TIN. If the company list (scoping study) is matched with IE Code for the purpose of reconciliation in the forthcoming EITI report, the company name, tax revenue, and reference will be easy to identified specifically and able to avoid misleads and complication. As Myanmar Custom Department, it will be budgeted to change from currently using IE Code to TIN using in the other departments then it will be more accuracy. 2. Furthermore, please be informed the implementation updates on the recommendations such as if Myanmar Custom Department built a specific database upon the company list (scoping study), it can only be a small change and it can provide accurate data on timely basis.</p> <p>Comments from MOEE: MOGE has started using the computerized database for staffs' salaries and store accounting</p>

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		for a week in order to implement MCS. In addition, Mr. Morten Larsen and Mr. Chorn Nak, a mining cadaster specialist and consultant, visited again and discussed about MCS at the Department of Mines on 8th of August 2017 and subsequently conducted a knowledge sharing workshop on the following day, followed by a meeting with the responsible ministerial officials on 11st. Moreover, the ministry is actively participating in sub-committee and MSG to be able to recruit an international mining cadaster consultant.		list for the Nay Pyi Taw Headquarter and the Yangon Branch. In Nay Pyi Taw Headquarter, the computerized database is used in monthly reporting to the senior officials for the monthly cash budget, the commercial budget and the financial statement, and recording the yearly financial statement. However, in the regional branches, the computerized system is used for other lists rather than salaries and store accounting.
9	<p>Budget comprehensiveness and transparency The EITI standard requires that the EITI Report should indicate which extractive industry revenues, are recorded in the national budget and whether these include cash or in-kind payments. When revenues are not recorded in the national budget, the allocation of these revenues must be explained.</p> <p>According to the Union budget for the year 2013/2014, the revenues are detailed by source such as revenues from Ministries and department revenues, State Owned Enterprise Revenues and NPT development committee.</p> <p>The Union budget for FY2013/2014 does not show specific line for the extractive sector revenues. Figures mentioned for each ministry or SOEs are detailed by sector or activity and include total revenue collected from all sectors. As a result, we were not able to determine the contribution of the extractive sector in the State revenues. Furthermore, there is extensive use of "other accounts" in the budgetary system in Myanmar. These 'other accounts' are essentially accounts held by ministries and SEEs at the Myanmar Economic Bank (MEB) for management of their own resources. Functioning modalities and use of these accounts were not provided to us. As a result we cannot provide explanation on rules and practices governing transfers of funds between the SOE(s) and the State, retained earnings, reinvestment and third-party financing as requested by Requirement 3.6 of the EITI Standard.</p> <p>In order to improve the transparency and comprehensiveness of the budgeting process, we recommend that the Ministry of Finance considers</p>	<p>The Union Budget Law does not include details related to the revenues from extractive sector and information about the Other Accounts. However, we understand from the below comments from MoPF that these information are included in the Citizens Budget.</p> <p>MoPF comment: The department expressed its receipt (In Cash) and the material collected by (In Kind) from the mineral resource extractive industries in the Current revenue account issued in the annually published Union Budget Law.</p> <p>According to annual Union Budget Law, the revenue of mineral resources extractive industries sector do not mention a specific topic. However, the related revenue & expenditure of mineral resource extractive industries are expressed in details in Citizens Budget (Citizen's Budget) publication which is intended for citizens to ensure open and transparent Budget and to know the revenue of the extractive industries sectors.</p> <p>The status of the purpose of opening OA Account, the opened patterns of OA Account, the expenditures incurred from OA Account, the payments to OA Account are expressed with the title of financial management of State-Owned Enterprises and other information related to accounts published in the Citizen's Budget plan (2016 - 2017) for the clear public understanding.</p> <p>Regarding the recommendation on the revenue from mineral resource extractive industries, it should be separated and should be described with the title of Normal budgetary. Although the revenue of the State-owned enterprises (SEEs) working as the mineral resource extractive industries displayed together, the revenues details of annual current</p>	Ongoing	<p>Comments from IA: The SOEs Financial Management: No. Ba Kha – 3/ 20 (547/ 2012) dated 3 April 2012 sets out that with effect from 1 April 2012, the SOEs shall be operated commercially and with their own financial strength. The SOEs' profit and loss account shall be calculated based on the total revenues and the total expenditure, and the income tax on the profit must be paid according to the income tax law (25%) and 20% of profit shall be distributed to the Union. The surplus fund balance could be carried forward to the next fiscal year in the SOE's Union Fund Account - Other Account (Other Account).</p> <p>Sections 2.3.5.2, 2.3.5.3 and 2.3.5.4 sets out details of the UFA - OA for the extractive SOEs and it was noted that the total revenues received and total expenditure was budgeted as the Union revenue and allocated to the expenditure of the Union accordingly. The balance amount of the funds in the OA is treated as a liability to the government.</p> <p>In 2019, the National Economics Coordination Committee (NECC) issued a decision which is approved by the Union Government, that in respect of the SOEs' Other Accounts, the annual surplus shall be transferred to the Union Government's Budget with effect from the fiscal year 2019/20. However, it is not clearly prescribed how the remaining surplus in Other Accounts at the end of FY 2018/19 would be dealt with.</p> <p>The Union Government through MoPF should issue notifications to prescribe the clear action plan for any surplus funds in Other Accounts at the end of</p>

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	whether own-source revenues from extractive sector could be redefined as normal budgetary revenue and whether more information need to be disclosed with regards to "other accounts" in the budget.	<p>budget submitted to Ministry of Planning and Finance are listed by title of sale revenue, dividends revenues from the service of partnership contract.</p> <p>Budget Department comment: Incomes, either in-cash or in-kind, from the extractive industries gets published as normal incomes in Union Budgetary Law, which is published every year. The yearly published budgetary law hasn't yet elaborated the detailed headings of extractive industries from which the incomes were generated. However, Citizen's Budget, that is published to improve budget transparency by highlighting how extractive industries play a role in nation's income, entails incomes and expenditures regarding those extractive industries. To enhance peoples' understanding, information regarding OA Accounts such as the purposes of opening up OA Accounts, the status of those accounts set up so far, the settlement of expenditures from those accounts and how incomes are remitted into the accounts is clearly mentioned with the title namely 'Financial management plan of the State Owned Enterprises (SOE)' in the Citizen's Budget published in 2016-2017. With regard to the recommendation 'to make a separate reporting on incomes from extractive industries as normal budget', though the SOEs doing extractive industries illustrate collective incomes in Union's Budgetary Account, they entail separate incomes items such as sale incomes, benefit shares from joint venture and other incomes in the Normal Budgetary Account, that needs to be submitted to the Ministry of Planning and Finance every year.</p>		<p>FY2018/19 (e.g. transfer to Union Budget after budgeting for necessary amount to be retained in SOE for investment or expenditure purpose).</p> <p>We understand that all the revenue and expenses of SOEs are included in the Union Budget. Based on the Audit Report on the Union Budget for FY 2016-2017 (previously available online), it was found that not all the bank accounts of SOEs were audited by the OAG. For example, MGE has five bank accounts and the number of other accounts audited by the OAG was reported as one. OAG consider to audit all the bank accounts of the SOEs.</p> <p>We understand that with regards to SOEs' Other Account, it will be changed from 2019-20 fiscal year with NECC's decision and Government's permission for the balance amount to be debited as assets in SOEs and credited as liability to the government.</p> <p>Please see current year recommendation number 12.</p> <p>Comments from Budget Department: 1. Regarding to the recommendations on comprehensiveness and transparency of Budget for 2013-2014 EITI Report, the extractive industries State-owned Economic Enterprises (SEEs)' current revenue was released in MMK that was received not just for In Cash but also In Kind in accordance with the Annual Union Budget Law and Other Accounts were also published in the Citizen's Budget 2016-2017 to promote budget Transparency. 2. Regarding UFO-OA of SEEs, "Public talks on Myanmar Economy" led by Deputy Minister of MOPF were Broadcasted in the MRTV and released on daily newspapers to ensure public understanding. 3. It is to be informed that with regard to the current actions on Other Account balance per book-keeping standards, the work-in progress are being implemented with the decision of National Economic Coordinating Committee (NECC) with approval of Union Government.</p>

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10	<p>Enactment of EITI reporting regulations</p> <p>EITI is established by the Presidential Decree 99/2012 of December 2012 which formally established EITI and states the Government's intention and commitment to implement EITI. However, we understand that the EITI reporting obligations are not covered by any other Law organising the process of collection in the current Legislation. This is one of the main reasons which led to delays to submit EITI reporting templates by some extractive companies and also the lack of contextual information's covering the extractive sector in Myanmar.</p> <p>We recommend to develop a legal framework for EITI in Myanmar including an EITI law that can be harmonised with existing legislation. The law can include provisions relating to:</p> <ul style="list-style-type: none"> § reporting obligations for extractive companies and Government Agencies alike, while specifying the level of disaggregation of the data to be submitted; and § a time schedule for updating and publishing forms and instructions and selection of the reporting entities and submission of declarations and completion of all reconciliation work. 		Ongoing	<p>Comments from IA:</p> <p>We understand from the comments below that institutionalisation of EITI policies and legislation is ongoing. Also refer to recommendation number 1.</p> <p>Comments</p> <p>The MEITI Work Plan includes the following two activities:</p> <ul style="list-style-type: none"> • Research to recommend legal options to EITI institutionalisation; and • Developing a draft EITI Law or amendments to Sectoral Laws. <p>The 11th MSG meeting held on 14 and 15 February 2018 decided to conduct a review of the existing policies and legislation to explore formulation of EITI policy and legislation. The draft TOR for this project was prepared and discussed at the 12th MSG meeting held on 16 March 2018 and sub-committee meetings. There are more than 40 policies and legislations related to Extractive Industries. Technical and Reporting Sub-committee conducted on 11 March 2019 was done in order to finalize the ToRs for Report on Legislative Institutionalization of EITI in Myanmar and reviewing of existing policies and legislation will be organised in 2020.</p> <p>The amendment for existing laws as well as promulgation of new law is being undertaken at the Parliament. Recently amendment for Environmental Conservation Law was initiated at the Pyithu Hluttaw (Lower House). The developing a draft EITI Law or amendments to Sectoral Laws will be undertaken after reviewing the existing policies and legislation.</p> <p>In addition, the Cabinet of the Government of the Union of Myanmar issued a notification dated on 29 June 2018 to support the implementation of MEITI process.</p> <p>It states that "MEITI is a process that supports the country economic policy to raise financial resources with strong and transparent public financial management system. Furthermore, respective ministries, State and Regional Governments, private sectors and civil society organisations were being urged to participate deeply in MEITI process as a mainstreaming because MEITI is</p>

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				implementing practical, beneficial and sustainable forwarding reform actions for the country and public. Therefore, respective Union Ministries, State and Regional Governments, union level government organisations were being urged to cooperate with MEITI Leading Committee, Working Committee, MEITI Multi-stakeholder Group and National Coordination Secretariat office in order to implement MEITI process and activities for sustainable development of Myanmar."
11	<p><u>Allocation of licenses</u></p> <p>The EITI standard requires the disclosure of information related to the award or transfer of licenses pertaining to the companies covered in the EITI Report, including: a description of the process for transferring or awarding the license; the technical and financial criteria used; information about the recipient(s) of the license that has been transferred or awarded, including consortium members where applicable; and any non-trivial deviations from the applicable legal and regulatory framework governing license transfers and awards.</p> <p>The mining legislation does not precise if bidding procedure is to be applied for the award of licences or permits or the application of the principle of "first come, first served". However, the right to the production permit is guaranteed in case of the discovery of a deposit by the holder of prospecting permit.</p> <p>We recommend that the MoM reviews the current legislation to state clearly the process used for awarding licenses and when a round of bidding should be conducted with the highest bidder obtaining the concession. This will ensure transparency and could also generate higher revenues.</p>	<p>We understand that the new Gemstone Law (actually drafted) will include the procedures for awarding licenses for exploration and production.</p> <p>MONREC comment:</p> <p>First come first serve policy is employed in awarding licenses for exploration of minerals. However, an auction system is practised to award licenses if the proposed exploration areas fall into an area with certain mineral reserve, upon which many investors are of interest. On the other hand, according to the provision 25, Section A of the Myanmar Mines Rules (1996), the ministry shall grant a large scale mine production permit if the application is made by a holder of mineral exploration permit. An auction system was once used in awarding licenses for mineral exploration. However, license renewal and awarding of new licenses have been suspended for the time being. On the other hand, the ministry is planning to include the procedures for awarding licenses for exploration and production in the new gemstone rules that is currently being formulated.</p>	Ongoing	<p>Comments from IA:</p> <p>Greater transparency is required in the license/ permit allocation and awarding oil and gas contracts. Please see current year recommendation number 8.</p> <p>Comments from ME1</p> <p>For license allocation, applications of license are accepted since 27th July 2018 in accordance with Mining Rules 2018.</p> <p>Comments from MGE:</p> <p>It will be carried out in accordance with Myanmar Gemstone Law enacted on January 30, 2019 and coming rules.</p> <p>Comments from DOM:</p> <p>The mining licenses are permitted in accordance with the amended law of the Myanmar Mining Law published on 24-12-2015 and the newly Myanmar Mining Rules published on 26-7-2018. The mineral study permit is processed with the First Come, First Served system. The areas with the certain production of mining ore which have high interest rate are permitted with the bidding system. In the section (34) of the newly published Myanmar Mining Rule, it is mentioned that if the person who has the mining study permit has applied in accordance with the permit rules and regulation, the large-scale mining or the medium-scale mining permit can be authorized. It has been mentioned in details under the section 155 of the newly published Myanmar Mining Rules regarding the licenses transfers in mining sector and it is allowed in accordance the section (157) of that Mining Rules. However, transfers of license is not allowed under Myanmar Gems Law in gems and jade sector.</p>

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				<p>Comments from MOEE: The JV companies working on the onshore/offshore Oil fields are permitted with Myanmar Investment Commission (MIC) Permit, not under licensing system.</p> <p>Comment from OAG: For the next audited period, it will be earmarked for license allocation process to be audited.</p>
12	<p>Confidentiality provisions in PSCs The model PSC used by MOE contains confidentiality provisions preventing public disclosure of information relating to Oil & Gas operations by both parties (MOGE and the operators). This issue was addressed by the MOGE before the reconciliation stage by providing to each company selected in the scope a letter of consent allowing them to disclose information about the amounts paid to MOGE and the MoF However, over the long term such provisions should be amended to allow disclosure for EITI purposes and include an EITI reporting obligation on the operators and MOGE. These amendments should be considered for the forthcoming contracts and those currently being negotiated.</p>	<p>MOGE comment: MoEE will disclose confidential contract information once both parties (MOGE and its contractors) agree to do so even though PSCs between them usually contains confidentiality provisions preventing public disclosure of contract information. The MOEG also provided that information when the first MEITI report was being prepared.</p>	Partially	<p>Comments from IA: Some contract terms are provided by the MOGE to the IA. Model contracts are made available on the mining website. Confidentiality clauses in the oil and gas and mining remain. Please see current year recommendation number 3.</p>
13	<p><u>Strengthening transparency at the subnational level</u> We understand that there is no regulation or procedure allowing the distribution of extractive revenues to region/states and local population in Myanmar. We also understand that the influence of illegal mining in the regions is particularly problematic in terms of negative health impacts and environmental effects, poor safety standards and monitoring, and in some cases human rights violations. In order to strength transparency and promoting good governance in extractive sector, we recommend to review the mining regulation in order to setup a fair revenue sharing mechanism of extractive revenues between central and local level. It is also useful to reflect the establishment of subnational EITI units in mining regions/states such as Mandalay and Magway regions and Rakhine and Shan states. This process can</p>	<p>MONREC comment: The Table 2-F of the 2008 constitution defines the rights of state and regional governments and those have been enacted in the provision 6 and 10 of the amended Myanmar Mines Law (2015). The Law Amending Myanmar Gemstones Law Rules is currently being discussed at the Hluttaws and the ministry is trying to enact a new mine rules.</p>	Ongoing	<p>Comments from IA: We understand from the comments below that devolution of responsibilities is implemented at the subnational level. It requires revenue reconciliation at the subnational level. There is no EI revenue transferred to the subnational levels but budget is allocated to the subnational level from the Union Budget.</p> <p>Comments from ME1: In Strengthening transparency at the subnational level, the Mining Rules (2018) was stated the permission for management on small and medium mining fields for regions and state and it was started for implementation.</p> <p>Comments from MGE: Since January 2018, Central Committee Account has been renamed as UFA (OA) and its annual account has been audited by the Office of the Auditor General of the Union (OAG).</p>

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		provide a valuable forum for dialogue at the state/regional level on the distribution/collection of extractive revenues and environmental and social issues associated with the extractive industries. We also recommend the involvement of General Administration Department (GAD) in local resource management, which can further improve local efforts to increase transparency.			To sustain natural resources, the MGE has asked extractive companies to develop the environmental management plan (EMP). In doing so, an EMP for Lonekin/ Hpakan area is jointly developed by the Australia-based Valentis & Coffy Co. in partnership with Geosystems Engineering Myanmar Co. for the conversation of environmental damages caused by jade extraction there. Private companies also prepared EMPs for their mining sites and submitted to the Department of Environmental Conservation for necessary amendments. In future, companies that are granted permits for gems extraction will be asked to prepare and submit initial environmental examination (IEE) and EMP. Comments from DOM: In accordance with the table (2-F) of the 2018 Constitution, the states and regions have the right for the distribution of the revenues from the extractive sectors. It is also stipulated under the section (6) and (10) of Myanmar Mining Law 2015. The respective states and regions are working on the publishing the law. The Sub-national Coordination Units (SNUs) are established to promote the cooperation of the states and regions. The SNUs have been formed in Mandalay, Sagaing, Magway and Shan State, and the formation of SNUs in the rest of states and regions will be processed.
14	IRD	<u>Strengthen the institutional capacities of the IRD</u> Myanmar has significant mineral and other natural resources which are being extracted widely. However, these resources contributed only about 17.8% of total revenue in 2015-2016. The Asian Development Bank (ADB) estimates that its revenue to GDP is 4.0% in 2011-2012, which is well below the region average and even below the fragile states average of 22%. Potential revenue from minerals is lost due to: · weak mineral and other extractive industries revenue collection capacity at the IRD; · weak mineral and extractive industries revenue policy analysis and revenues forecasting capacities at MoPF; · weak capacities to monitor compliance with Oil & Gas and mining contracts and verify production amounts, exports, and global prices at the SOEs; and · lack of an effective extractive industries governance	<u>Comments from IRD</u> Although the reasons contained in the EITI report is partially correct it cannot represent the whole picture of the process. The most important basic principle shall be the Government must have the capabilities to collect the data regarding the extractive industries, auditing of works/accounts, taking action practicing relevant laws. If there are no such capabilities it shall be most difficult for the revenue departments to collect the volume of revenue which should be collected from the relevant extractive industries. The Government has such capabilities only in the Oil and Gas sector. Such capabilities are weak in minerals, gems and forestry resources and the Government's capacity to take action especially in the border areas where many resources are extracted. For the effective management of extractive	Ongoing	Comments from IA: It is understood that IRD is implementing reforms in tax administration system and tax legislations as well as staff capacity development such as drafting Tax Administration Bill, Income Tax Bill, implementing TIN, self-assessment system, tax audits, etc. Refer to current year commendation item 5. Comments from IRD: March 2019 update: IRD technical capacity levels preclude the establishment of industry specializations at this point in time. However significant technical assistance has been and continues to be provided by donors in connection with the oil & gas industry. In consequence, staff in the Large Taxpayer

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	<p>structure to promote transparency, accountability, and responsibility in the management of extractive industries</p> <p>Therefore, we recommend: · the establishment of an Extractive Industries Revenue Unit within the IRD. The establishment of this unit will enhance the institutional capacity of the IRD to collect adequate revenue from the extractive industries; · to conduct training needs assessment covering the areas of tax audit, risk-based tax audits, data exchange, transfer pricing, · the establishment of procedures and systems to administer extractive industries revenue including an assessment and audit strategy; · to set up a data base of all companies and other entities in the extractive industries for taxation purposes; · to set up a Research Team responsible for drafting research and policy documents; and · to conduct a study on the Harmonisation of Mineral Taxation Regimes and the consolidation of fiscal regulations.</p>	<p>industries, the Internal Revenue Department needs to have higher capacities as well as law enforcement and abilities to take action are needed in these areas where these industries are located. Another most important point is more information exchange and cooperation and coordination are needed among the relevant government departments. The present status of information exchange and cooperation and coordination has never reached up to the satisfactory stage. It is recognized that the Internal Revenue Department is weak in its internal capacity in tax policy and tax governance. The Internal Revenue Department has been implementing and performing basic reforms in these two areas. Such reforms will help build internal capacity in managing extractive industries. However, it would have to take time to reach up to the stage of effectively managing the extractive industries while capacity building works are rapidly performed.</p>		<p>Offices are better enabled to respond to related revenue risks and taxpayer expectations.</p>
14.1	<p><u>Suggestions relevant to EITI</u></p> <p>To establish a revenue collection unit (Branch) for extractive industries at the Internal Revenue Department (IRD). By establishing such unit, internal capacity of collection of revenue which should be collected from the extractive industries will be enhanced.</p>	<p><u>Response from the Internal Revenue Department (IRD)</u></p> <p>In order to establish the modernized and capable tax revenue management system, and the initial phase of reform programme, the Internal Revenue Department (IRD), Ministry of Planning and Finance has established the LTO (Large Taxpayer Office), which is using the Self-Assessment System since 1st April 2014 after receiving the approval on 30th August 2013. In addition to that the MTO (Medium Taxpayer Office) no. (1) has also been set up and using the Self-Assessment System since 1st April 2017. As these offices are taxpayer offices are the largest taxpayer offices in Myanmar and they are collecting tax revenue not only from the extractive industries but also for the commerce and manufacturing sectors. Most of the Companies under the extractive industries sector are places in the Large Tax-payer Office (LTO Office). In this LTO Office there are (3) audit teams formed and capacity building training courses for Oil and Gas sector have significantly been provided. Such training courses have been supported by the NORAD. According to the present status/situation there is no sufficient manpower in the Internal</p>	Ongoing	<p>Comments from IA: Please see above comments in item 14.</p> <p>Comments from IRD: March 2019 update: See updated response to previous recommendation. Circumstances and status remain unchanged. IRD will continue to develop the capability of its staff.</p>

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		Revenue Department to manage all extractive industries. According to the reforms programs, arrangements have been made to implement sustainable capacity building works from time to time. It is reviewed that there can be decrease in the long run by scattering the human resources/manpower and aid and support to (many sectors) even in this condition of less capacity.		
14.2	<p><u>EITI Sub-Recommendation (1)</u> To study and identify the training needs assessment to cover the areas such as the revenue auditing, risk-based tax auditing, data exchanging, transferred pricing.</p>	<p><u>Response from the Internal Revenue Department (IRD)</u> Internal Revenue Department has assigned the staffs as per their relative levels to study the tax auditing, transfer pricing, tax reform management training, trainings for the avoidance of double taxation agreement, oil and gas revenue management training, tax policy and expenditures related with tax revenues workshop, policy and activities training, technical support training and more-effective and efficient Integrated Tax Administration System (ITAS) trainings in order to be able to work efficiently and effectively. All of these training had already been conducted by foreign experts from World Bank, OTA, IMF, NORAD, etc. After conducting the above-mentioned trainings, the staffs are able to apply the skills and expertise that they learned from the trainings and it enhanced the capacity of staff for sustainable development. The training needs assessment works were conducted and the implementation of reform programs have also been approved. As a result of training needs assessment, the risk-based tax auditing work is provided to be mainly done. The NORAD has provided trainings for the Oil and Gas works and the auditing works are also practically being performed. Similarly, the World Bank supports the trainings related to transfer pricing. The purpose of these trainings is to do audit efficiently according to the staff qualification/efficiency or to extend the qualification of the staff.</p>	Ongoing	<p>Comments from IA: Please see above comments in item 14.</p> <p>Comments from IRD: March 2019 update: Circumstances and status remain unchanged.</p>
14.3	<p><u>EITI Sub-Recommendation (2)</u> To establish and perform the procedures and systems including tax supervision and revenue auditing strategy for the collection and management of revenue from the extractive industries</p>	<p><u>Response from the Internal Revenue Department (IRD)</u> The audit strategy is already finished and the auditing on the general accounts and auditing on the oil and gas sector has been implemented phase by phase in LTO (Large Taxpayer Office) collaborating with NORAD. Furthermore, the</p>	Ongoing	<p>Comments from IA: Please see above comments in item 14.</p> <p>Comments from IRD: March 2019 update: Circumstances and status remain unchanged.</p>

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		auditing is implementing in line with risk management and the audit manual is already set up. All of these steps are already included in Reform Process and currently implementing on it. The IRD would like to say that higher efficiency of performance is badly needed for the management as the extractive industries sector is complicated. At present the Internal Revenue Department has no such kind of efficiency. The auditing strategy has been drawn up and the procedures for general works auditing and oil and gas sector auditing have been provided. It is also important to understand the limitation of efficiency in this part. The individual staff ability must be enhanced and more difficulties can be encountered if starting with more complicated sectors from time to time.		
14.4	<u>EITI Sub-Recommendation (3)</u> To establish and perform data base for all companies and firms/teams for revenue collection in the extractive industries sector	<u>Response from the Internal Revenue Department (IRD)</u> In accordance with the Tax Reform Programme of Internal Revenue Department, Ministry of Planning and Finance 2014-2024, the Data Centre is started establishing in Nay Pyi Taw and Yangon using the ITAS (Integrated Tax Administration System) for taxation. It will be practiced not only for the extractive industries but also for the other industries as per the project: MMPFM (Myanmar Modernization for Public Financial Management which will be started in December 2019. The present running system of the Internal Revenue Department is based on the manual system. At the LTO office, it has been performed with small scale computer system and all organizations under extractive industries sector are recorded. At present the procurement of an Integrated Tax Administration System (ITAS) is under way. Although it takes several years to use in the whole country, a data base system can be drawn up and used for the policy objectives.	Ongoing	Comments from IA: Please see above comments in item 14. Comments from IRD: March 2019 update: Status: See earlier progress update.
14.5	<u>EITI Sub-Recommendation (4)</u> To establish and perform a research team (unit) to undertake to prepare the research and policy papers/reports.	<u>Response from the Internal Revenue Department (IRD)</u> Internal Revenue Department, Ministry of Planning and Finance restructures the organization in line with the tax reform process as per the meeting decision of Union Ministers' cabinet meeting no. (12/2014) dated 19 June 2014. There are 11 units in new organization structure and the research and policy department is included as one of the 11	Ongoing	Comments from IA: Please see above comments in item 14. Response from Internal Revenue Department (IRD): March 2019 update: Current levels of technical capability in IRD preclude the establishment of a sustainable research team or unit for this specialized purpose.

Agency		Recommendation from the 1st, 2nd and 3rd Reports	Prior Year Progress and Comments from Agency	Implemented (Yes, No, Ongoing, Partially)	Current year Progress and Comments
			units. At this moment, a policy division has been established. The IMF team and the NORAD team are also helping this unit to build capacity regarding extractive industries. The re-writing of income tax law in order to build a basic of law to effectively collect the revenue from the extractive industries and the building of capacity are included in their helps. In re-writing the new income tax law the provisions of international revenue collection such as the transfer pricing (not included in the present income tax law) shall be included. Because of this long-term work, it is able to provide certainty, clarity and accuracy for both the tax payer and the Internal Revenue Department (IRD) from time to time.		IRD deploys its existing capability across this and a range of other policy and research focuses to the extent that it can do so.
14.6		EITI Sub-Recommendation (5) To conduct a study and assessment for balanced performance of revenue collection of extractive minerals and integrated performance of financial regulations	Response from the Internal Revenue Department (IRD) The new tax revenue is currently drafting and the extractive industries is included as separated section. Once this new law is enacted, it will be more beneficial and effective for the extractive industries.	Ongoing	Comments from IA: Please see above comments in item 14. Response from the Internal Revenue Department (IRD): March 2019 update: The recommendation calls for technical assistance which is not currently available to IRD.
15	Various	Lack of unique Taxpayer Identification Number (TIN) used by all Government Agencies for the identification of the extractive companies We recommend that all the Government Agencies use a unique TIN to record the payments received from extractive companies. This will require continued close cooperation between the different Government Agencies in order to address the situation of existing companies. With regards to the new companies, the TIN should be allocated at the moment they are set up. The TIN should be communicated to all Government Agencies and should be quoted for every company to avoid any ambiguity.	Comments from IRD Internal Revenue Department has started using the Taxpayer Identification Number (TIN) at (Large Taxpayer Office) LTO using the computer system since financial year 2014-2015 and the use of TIN is being expanded phase by phase at MTO (Medium Taxpayer Office). It is targeted that the new tax management system will be applied to the whole of the Internal Revenue Department on 1 April 2019 during the financial year 2019-2020. On the other hand, not only the extractive industries but also other government agencies related to ITD should use the TIN as same as TIN number used by IRD. In order to use the same TIN and develop the system, the information technology and network system is required to be installed as well as the new law is needed to be enacted in compliance with the International Standard.	Ongoing	Comments from IA: Please see above comments in item 14. Comments from IRD: March 2019 update: In collaboration with DICA, unique taxpayer identification numbers are now issued to all corporate taxpayers.
16		Consider setting a resource revenue sharing system for extractive revenues Oil, natural gas and mineral revenues are generated in nearly every state and region in Myanmar, with the most important onshore interests lying in Bago, Kachin, Magway,		No	Comments from IA: There is no mandatory CSR expenditure required to be committed at the moment other than that under the new Mining Rules due to amendment of contract terms.

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	<p>Mandalay, Sagaing, Shan and Tanintharyi. In these areas and others, extractive activities have significantly impacted livelihoods and the local environment.</p> <p>Taxes and fees collected from extractive companies form part of the State Fund Accounts and are programmed to be spent towards projects and expenses for the entire country. There are no specific projects for which revenues collected from mining companies are allocated to.</p> <p>Given that local communities are the ones directly affected by extractive activities, the government should consider setting up a special fund arising from revenues earned from extractive companies or revenue sharing mechanisms so that these may be allocated towards projects that would contribute to: · the rehabilitation and development of communities impacted by extractive operations; · mitigate or prevent violent conflicts; · respond to local claims for benefits, based on ideas of local ownership; and · promote regional income equality between resource and non-resource rich regions.</p> <p>For better transparency and efficiency, the revenue sharing system would require stakeholder consensus on any revenue sharing formula, as well as legal codification.</p>			<p>Extract from Citizen's Budget:</p> <p>Medium Term Fiscal Framework has been practiced since 2015-2016. The demands of State/Regional Financial funds are filled up based on the calculation of MTFF.</p> <p>Tax sharing is carried out using six indicators under Medium Term Fiscal Framework (MTFF).</p> <ol style="list-style-type: none"> 1. Total population 2. poverty index 3. Area 4. Per capita tax collection 5. Per capital GDP 6. Urban population as percent of Total State population <p>(-) Political agreement is required for a resource sharing system.</p>
17	<p><u>Lack of transparency of SOEs</u></p> <p>We recommend that MoNREC and MoEE take reasonable steps to publish an annual aggregate report that covers all SOEs and make it a key disclosure tool directed to the relevant stakeholders including the general public, the parliament and the media. The following information may be included in the annual aggregate report:</p> <ul style="list-style-type: none"> · A general statement on the State's ownership policy and information on how the State has implemented this policy (i.e. Information on the organisation of the ownership function as well as an overview of the progress of SOEs, the relationship between SOEs and the Government, SOEs mandate, role in licensing, conflict of interest management); · Aggregate financial information and reporting on 	<p><u>Comments from DOM</u></p> <p>Although the Ministry of Natural Resources and Environmental Conservation has prepared their step in this year to set out the standard requirements of the State-owned Economic Enterprises and private Companies, the State-owned Economic Enterprises under the Ministry of Natural Resources and Environmental Conservation is less transparent than the Oil and Gas sector. The State-owned Economic Enterprises under the Ministry of Natural Resources and Environmental Conservation are less disclosure on information regarding their joint venture businesses, income, expenditures (or) conditions in relationship with the sub-contractors. Besides there are no performances to be more transparent (or) accountable with the works related to the Military/Tatmadaw (Armed Forces).</p> <p>According to the information obtained by the</p>	Ongoing	<p>Comments from IA:</p> <p>Please see current year recommendation items 1, 9 and 10.</p> <p>Comments from DOM:</p> <p>MONREC is collaborating in the SOEs reform process in order for SOEs to have clear duty and responsibilities, to have capacities in accordance with the International Standards, to increase revenue from SOEs, to reduce the cost and to promote management capacities. Besides, Extractive Sector SOEs Reform Workshop was held at Horizon Lake View Hotel, Nay Pyi Taw on Feb 21 & 22, 2019. The Senior Officials from the respective departments related with the SOEs transparently presented and discussed the current implementations of economic management, laws, rules and regulations, way forwards and challenges.</p>

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	<p>changes in SOEs' boards;</p> <ul style="list-style-type: none"> · Key financial indicators including revenues collected, profit, cash flow from operating activities, gross investment, transfers to the government, spending); and · Information on individual reporting on the SOEs. <p>We also recommend to complete the transformation of SOEs and separate their current regulatory function into another part of the MoNREC/MoEE, to remove conflicts of interests, leading to better long-term regulation of the extractive sector.</p>	<p>general public, the legislation, nature of work, mandates and duties and responsibilities are not clear. In some cases, there are dual roles and responsibilities as business partner as well as regulator in running the businesses.</p> <p>In the annual consolidated report, the following points may be included and contained:</p> <p>(a) General declaration on the information about the State-owned policies and how these policies are being implemented (for example information about who own and how possess and summary of the progress of the State-owned Economic Enterprises, relationship between the State-owned Economic Enterprises and the Government, the mandate of the State-owned Economic Enterprises, the role of obtaining licenses, conflict of interest management)</p> <p>(b) Issuance of news regarding the change of Boards of the State-owned Economic Enterprises and consolidated financial information.</p> <p>(c) Income collected, profits, income flow from running businesses, net investment, transfer to the Government, financial spending.</p> <p>(d) Information regarding the individual reporting on the State-owned Economic Enterprises.</p>		<p>Comments from ME1:</p> <p>Regarding with the recommendation 7.1.4 Lack of transparency of SOEs, the activities of Ministry, production data, tax revenue, notifications and instructions were published and updated on Ministry website. In new mining rule, the tender system is using for the mining fields explored from government and the mining fields that are being applied from more than one person.</p> <p>Comments from MGE:</p> <p>(A) In 4th MEITI report, the reporting template was filled with allocation of permits, production, payment of jewellery tax, sales at emporium, permit order, in-kind share, social responsibility, income tax payment and environmental conservation. Also, details of UFA (OA)'s earnings and expenses with extended scope was included in the template.</p> <p>(B) Based on the nature of gemstone sector in Myanmar, the Supporting Committee on gems sector will pay attention to Policy Making Theory that incorporates the following points.</p> <p>(A) Agenda setting/ Identification of issues or problems)</p> <p>(B) Policy formulation</p> <p>(C) Policy adoption/ legitimization</p> <p>(D) Policy implementation</p> <p>(E) Policy assessment/ evaluation</p> <p>(C) Plans on Myanmar gemstone policy monitoring and evaluation, and implementation will be included in Chapter (5) and (6) of the Myanmar Gemstone Policy.</p> <p>(D) Comments and suggestions are being requested on 36 policy statements of the MGE, which have been approved as final draft.</p> <p>Comments from MOEE</p> <p>MOGE conducts press release monthly and the factual information and data of Ministry queried by national and international media are disclosed transparently. Furthermore, they are uploaded on Ministry's website and social media in a timely manner.</p>

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18	<p>MONREC</p> <p><u>Management of the Gems and Jade Sector - Lack of certification, traceability and valuation of the gemstones</u></p> <p>1. Capacity building We recommend to perform a capacity review of MGE staff and to consider developing employees' skills and hiring technically skilled experienced gemstones experts. MONREC and MGE's capacity and technical expertise must be strengthened to begin addressing poor monitoring and oversight, which in turn leads to foregone revenue and growth of the informal sector. The capacity of government agency staff to monitor and enforce legal compliance should also be built.</p> <p>2. Gemstone Governance Framework We recommend the development of a national Gemstone Sector Policy and a corresponding review of the Gemstone legal framework, to improve governance, including production as well as allocation of permits, valuation, export and sales; and the development of appropriate systems and procedures for the monitoring and reporting of gemstone production.</p> <p>3. Valuation Procedures We recommend that MONREC: - reviews and strengthens the valuation process of gemstones by involving external valuers with extensive knowledge of the sector markets and valuation methods and by requiring checks against fair value/market price; - opts for a clear description of the valuation method in the minutes of the valuation committee and perform random audits and reconciliations between the valuation of gemstones and their sale prices at the Emporium to determine if there were any shortfalls when collecting the royalties on production.</p> <p>4. Responsible Mining and Traceability We recommend that MONREC considers: - Encouraging gemstone mines to begin adopting international standards for responsible mining, to meet the increasing global demand for responsibly sourced gemstones - Exploring the future potential of establishing a mine-to-market traceability system, in line with other similar emerging international initiatives</p>		Ongoing	<p>Comments from IA: We understand that the MGE has drafted a gemstone policy statement that includes certification, traceability and valuation. Implementation of gemstone policy statement is ongoing. Please see current year recommendation number 11.</p> <p>Comments from MGE: Regarding gemstone sale and purchase, state-owned and partner companies are easy to deal with, but private ones are not throughout gemstone production and distribution process. Under this administration, the Supporting Committee (SC) on gems sector was formed with 22 members consisting of government officials, businessmen and representatives from civil society organizations (CSOs). The SC has organized workshops in gemstone areas such as Myitkyina, Mogok, Monywa and Mandalay to listen to local people in order to set appropriate tax rate for gemstone, and for the development of gems industry. Pyithu Hluttaw (Lower House) Natural Resources and Environmental Conservation Committee, Amyotha Hluttaw (Upper House) Natural Resources and Environmental Conservation Committee, CSOs and international organizations have been requested for comments and suggestions on 36 gemstone policy statements of the MGE. They are also put online for public counsel.</p>

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	<p>(see footnote for some examples¹). The Kimberley Process is an international multi-stakeholder certification mechanism that was established in diamond producing countries to stem the flow of rough 'conflict' diamonds. There are several other international initiatives emerging, most of which focus on diamonds and precious metals (not colored gemstones). Nevertheless, Myanmar may wish to begin engaging in talks with local stakeholders and importing countries to consider the viability of establishing a similar sort of certification process to prevent conflict gemstones from entering the legitimate trade. The creation of an international certification could help in combating the informal sector and breaking the link between the illicit trade in rough gemstone and human rights abuses associated with armed conflict. However, any such activity must be preceded by implementation of other recommendations in this report, including clarification of institutional roles and responsibilities, institutional capacity building, and development of a sector-wide governance framework.</p>			
19	<p>MGE</p> <p><u>Gemstones sector institutional reform</u></p> <p>The main role of MGE is to impose taxes in accordance with the Mines Law and Gemstone Law for Gems and Jade production or for the sale of rough and finished products. MGE also participates in Joint Ventures on behalf of the State, manages the Emporium and issues Gems and Jade permits. There is an inherent conflict of interest between its role as a policymaker, a regulator and also as a JV partner.</p> <p>The existing arrangement does not meet international best practices for governing the State-Owned Enterprises. The cumulation of all these functions coupled with MGE's limited capabilities represent a high risk of conflict of interest.</p> <p>We recommend to revisit MGE roles in any government considerations of institutional reform in Myanmar's gemstone sector and to adapt them to best international practices. The role of MGE and the other departments under MONREC (DoM, DGSE, etc) should be clearly defined in laws and regulations. The segregation between</p>		Ongoing	<p>Comments from IA:</p> <p>It is noted from the comments below that the MGE has taken steps for staff capacity development. It is noted that separation of the role of regulator from the role of participant as a joint venture partner is critical. Please see current year recommendation number 9.</p> <p>Comments from MGE:</p> <p>(A) The need of technical skills and experience of MGE staff is a human resource challenge for MGE thus, it has sent its staff to domestic universities to study diploma on gems and masters on geology. It has also organized two English trainings for capacity development of the staff. Furthermore, a training on environmental management was conducted with assistance from Mr. Shane Anthony Langdon of Australian Volunteer International (AVI). In addition, environmental awareness talks are being held in MGE's different regional divisions and staff are being sent to international gems emporia for study purpose.</p>

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		the role of MGE as regulatory body and its role as partner in JVs should be considered.			Currently, an English Proficiency Training Course is in session with assistance from Dr. Kathleen Violet Hartig of AVI. (B) Regarding new recruitment for MGE, applicants with degrees around gemstone sector are prioritized and assigned to gems extraction areas.
20	MONREC / MOEE	<p><u>EITI Implementation - Completeness of the data reported on license register</u></p> <p>The EITI Standard requires implementing countries to maintain a publicly available register or cadastral system including comprehensive information regarding each of the licenses relating to companies covered in the EITI Report. This register should cover the following information:</p> <ul style="list-style-type: none"> i. license holder(s); ii. coordinates of the license area; iii. date of application, date of award and duration of the license; and iv. in the case of production licenses, the commodity being produced. <p>Where such registers do not exist or are incomplete, the EITI Report should include the above information.</p> <p>We noted in certain cases that the list of approved mining and Oil and Gas contracts/permits does not include information about the application date, award date, duration and coordinates of the licensed area.</p> <p>We recommend that MoNREC and MoEE include systematically these information in the register and for it to be accessible by the public via the ministry's website.</p>	<p><u>Comments of DOM</u></p> <p>The data regarding the license of minerals sector except the application date are described under the heading of the Department of Mining of the Internet Web Page of the Ministry of Mining www.mining.gov.mm and it has been updated monthly.</p>	Partially	<p>Comments from IA: Please see above comments in item 7.</p> <p>Comments from DOM: The data related to the license application date was not included in the previous regulation. According to the rules and regulations published on 13-2-2019, the license application data have been updated on the www.mining.gov.mm since 1.8.2018.</p> <p>Comments from ME1 : For completeness of the data reported on the license register, it was published and updated on the Ministry website.</p> <p>Comments from MGE: (A) Myanmar Gemstone Law was enacted on January 30, 2019 and the development of by-laws are in process. After that, the MGE will act in accordance with them. (B) In order for a mineral cadastre system, the Mineral Cadastre Working Group led by the Department of Mines was formed and trainings are underway. Two MGE officials are in the Working Group. (C) The list of worksites with permit expiry is uploaded to www.mining.gov.mm on monthly basis.</p> <p>Comments from MOEE License system is not practiced in the exploration and production activities of onshore and offshore blocks. International bidding round were called for with a transparent manner by the respective Committee and then they were evaluated with selection criteria. With the permission of Myanmar Investment Commission (MIC), the awarded companies were signed with the Production Sharing Contract (PSC). Tender process, terms and conditions, selection criteria, awarded companies, awarded date, oil and</p>

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				gas blocks' coordinates and their implementation status were uploaded on MEITI website, Ministry's website and social media. Environmental Management Plan (EMP) were reviewed, amended and accepted by MONREC. Therefore, disclosing the information related with EMP is concerned with MONREC.
21	<p>MONREC / MOEE</p> <p><u>Unclear licensing process</u></p> <p>The information we received from MONREC and MoEE regarding the licensing process in the Oil and Gas and mining sectors do not disclose clearly the technical and financial criteria used to evaluate the license application. Although a bidding process is used in the Oil and Gas sector, the lack of information about the evaluation criteria and the candidates for each license reduces transparency and opens doors to abuses.</p> <p>Despite the fact that foreign investors are prohibited by law to have gems and jade licenses and cannot even enter into JVs with nationals and local companies, in practice it is well known that the beneficial owners of many mines are in fact foreigners which reveals the vulnerability of the licensing process.</p> <p>We recommend that "first come first served" should be the basis for licensing in the mining sector. Competitive procedures should only be applied in the cases where there is detailed geological data available or mineral deposits were proved. In the latter case, the valuation of the bidders should be based on clear technical and financial criteria and identity and beneficial owners of all the candidates should be identified.</p>	<p><u>Comments of DOM</u></p> <p>In the minerals sector, the foreign companies are allowed to invest 100% in obtaining license for minerals exploration, testing/surveying, and large-scale production and in cooperation with domestic companies. Foreign investment is not allowed in obtaining licenses for other small-scale and manual (bare earner) production.</p> <p>The policy of the Ministry up to date is "First Come First Serve" and "Known Deposit" and the provisions is included and enacted in the new Rules such as if the facts are meeting with as the would-be-operator who wish to do is more than one person, many people are interested, tender calling will be conducted. According to the new rules the application for obtaining licenses for minerals exploration/ testing and surveying/ mining shall only be accepted and performed at the Minister's office and the Department of Mining.</p> <p>The general public may see and study transparently regarding the License Information after installing the Mineral Cadastre.</p>	Ongoing	<p>Comments from IA:</p> <p>Please see above comments in item 7.</p> <p>Comments from DOM:</p> <p>The 100% foreign investment is allowed in study phase and large-scale production in mining sector. The permits are granted with the "First Come, First Serve" system in accordance with the nature of mining business. In Myanmar Mining Rules and Regulations, it is stated that if the area of land has not been explored, the application of person or organization that apply first will be prioritized in the selection process, and if more than one person or one organization applied for the same area of land, that area has geological data and can produced commercially, the selection is carried out by tender. If with tender process, in order to have transparency in the tender process, it is noticed via government newspapers. The previously permitted licenses and the newly applied licenses are transparently accessible on www.mining.gov.mm.</p> <p>Comments from ME1:</p> <p>For unclear license process, the companies made hundred percent investment for exploration and production and used the first come, first serve system and then tender system will be used for mineral ores that are highly interested by public.</p> <p>Comments from ME2:</p> <p>Two representatives from ME2 are participating and cooperating in the Mineral Cadastre Process implemented by DOM.</p> <p>Comments from MGE:</p> <p>(A) Myanmar Gemstone Law was enacted on January 30, 2019 and the development of by-laws are in process. After that, the MGE will act in accordance with them.</p> <p>(B) In order for a mineral cadastre system, the Mineral Cadastre Working Group led by the Department of Mines was formed and trainings are underway. Two MGE officials are in the Working</p>

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				<p>Group. (C) The list of worksites with permit expiry is uploaded to www.mining.gov.mm on monthly basis.</p> <p>Comments from MOEE License system is not practiced in the exploration and production activities of onshore and offshore blocks. International bidding round were called for with a transparent manner by the respective Committee and then they were evaluated with selection criteria. With the permission of Myanmar Investment Commission (MIC), the awarded companies were signed with the Production Sharing Contract (PSC). Tender process, terms and conditions, selection criteria, awarded companies, awarded date, oil and gas blocks' coordinates and their implementation status were uploaded on MEITI website, Ministry's website and social media. Environmental Management Plan (EMP) were reviewed, amended and accepted by MONREC. Therefore, disclosing the information related with EMP is concerned with MONREC.</p>
22	<p>IRD</p> <p><u>Lack of availability and accessibility of information -IRD</u> One of the identified revenue streams under IRD is withholding taxes arising from interest paid to non-resident foreign nationals, royalty payments to claim owners and purchase of goods and services payments. Final withholding taxes, however, are monitored in aggregate under the current reporting system, irrespective of the extractive companies having withheld the tax. Consequently, IRD disclosures will usually be lower due to the inability to readily extract of withholding taxes details.</p> <p>As a result, IRD may consider customising certain reports generated from the current system that will enable the further disaggregation of information to facilitate reconciliation for future reports.</p>	<p><u>Comments of IRD</u> As Integrated Tax Administration System (ITAS) is currently implemented, the required data for EITI report will be provided comprehensively once this system has been finalized successfully. It is expected that this system will run for the whole IRD department during April, 2019. Up to now, it is used at LTO and MTO offices. Thus, IRD has already purchased a computer system that can support the detail data for EITI process.</p>	Ongoing	<p>Comments from IA: Please see above comments in item 14.</p> <p>Comments from IRD As Integrated Tax Administration System (ITAS) is currently implemented, the required data for EITI report will be provided comprehensively once this system has been finalized successfully. It is expected that this system will be run during 2020. Up to now, TRMS (Tax Revenue Management System) is used at LTO and MTO offices. March 2019 Update: IRD's more recent understanding of the timeline for deployment of functionality supporting this recommendation suggests that it is possibly still several years away. A more accurate indication may be possible with the next progress update.</p>
23	<p>MOGE</p> <p><u>Improvement in the bidding process for O&G blocks</u> As part of the EITI process, the government has stated its intention to introduce greater transparency in decision making and better</p>		No	<p>Comments from IA: Please see the comments at item 11.</p> <p>Comments from MOEE License system is not practiced in the exploration</p>

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		oversight mechanisms. Despite notable improvement in transparency during the most recent onshore and offshore oil and gas bidding rounds, including the public advertising of tenders in English, the selection criteria and decision-making process and Environmental Management Plan (EMP) information remains opaque. Systematic disclosure of the following additional information would improve the governance of the bidding and selection process: <ul style="list-style-type: none"> • who is mandated to make the decision about awards. • the criteria and priorities for selection of successful bidders (these criteria should be revised to seek information on bidders' commitments to environmental and social sustainability by requiring information on policies and management systems for environmental, social, human rights, health and safety, community engagement); • whether there was a signature bonus paid; and • the evaluation criteria and scoring method applied by MOGE, together with a brief justification for the selection of the chosen operators. 			and production activities of onshore and offshore blocks. International bidding round were called for with a transparent manner by the respective Committee and then they were evaluated with selection criteria. With the permission of Myanmar Investment Commission (MIC), the awarded companies were signed with the Production Sharing Contract (PSC). Tender process, terms and conditions, selection criteria, awarded companies, awarded date, oil and gas blocks' coordinates and their implementation status were uploaded on MEITI website, Ministry's website and social media. Environmental Management Plan (EMP) were reviewed, amended and accepted by MONREC. Therefore, disclosing the information related with EMP is concerned with MONREC.
24	MGE, MONREC	<p><u>Improvement in the bidding process for gemstone permits</u></p> <p>Gemstone concessions are awarded through competitive bidding. The Myanmar Gems Enterprise (MGE) publishes new opportunities to tender in local newspapers and allows prospective investors one month to survey the concession site. MONREC has not made additional information on the application process available on its website. Mineral licenses are currently awarded on a first-come, first-served basis, although the Gemstone Law opens the door for tenders in future. In both cases, very little published data are available on the selection criteria and decision-making process.</p> <p>We recommend to review and revise bidding processes for mining concessions in consultation with stakeholders for mining states in a bid to promote openness and fairness. This could include the disclosure of:</p> <ul style="list-style-type: none"> • application procedures including all the required 		No	<p>Comments from IA: Please see the comments at item 11.</p> <p>Comments from MGE: Worksites under current permits were granted under the 1995 Gems Law. New Myanmar Gemstone Law was enacted on January 30, 2019 and the development of Myanmar Gems Rules are in process. Therefore, after by-laws have been enacted, the MGE will follow in accordance with both laws and rules.</p>

Agency	Recommendation from the 1st, 2nd and 3rd Reports	Prior Year Progress and Comments from Agency	Implemented (Yes, No, Ongoing, Partially)	Current year Progress and Comments
	<p>steps;</p> <ul style="list-style-type: none"> • who is mandated to make the decision about awards; • the criteria and priorities for selection of successful bidders (these criteria should be revised to seek information on bidder's commitments to environmental and social sustainability by requiring information on policies and management systems for environmental, social, human rights, health and safety, community engagement); • data on active mineral licenses by state and by region; and • guidance to be followed in the event of conflicts of interest and corruption which take account of the identities and histories of bidders. 			
25	<p>MONREC / MOEE</p> <p><u>Creation of a reporting system for employment data</u></p> <p>In accordance with the EITI Standard, implementing countries must disclose information about employment in the extractive industries in absolute terms and as a percentage of the total employment.</p> <p>We note that both MONREC and MoEE do not have a reporting system that would determine the direct impact measured through the jobs attributable to the extractive industry. Thus, employment data collected and stated in this report is partial and does not reflect the comprehensive extractive sector contribution.</p> <p>We recommend to review and revise bidding processes for mining concessions in consultation with stakeholders for mining states in a bid to promote openness and fairness. This could include the disclosure of:</p> <ul style="list-style-type: none"> • application procedures including all the required steps; • who is mandated to make the decision about awards; • the criteria and priorities for selection of successful bidders (these criteria should be revised to seek information on bidder's commitments to environmental and social sustainability by requiring information on policies and management systems for environmental, social, human rights, health and safety, 	<p><u>Comments from DOM</u></p> <p>Although the provisions regarding the appointment of mining employees, assigning works, age, salary and wages and other fees and allowances are set out in the chapter (17) of the 1996 Myanmar Mines Rules, arrangement shall be made to collect data regarding the network of labour and employment within the own system for the correct data reflecting the present situation and obtaining more data.</p>	No	<p>Comments from IA:</p> <p>Based on the comments below, it is understood that employment data for EI is available from SOEs. However, the employment data for EI is still pending from the SOEs. Please see current year recommendation item 4.</p> <p>Comments from DOM:</p> <p>The employment data of MONREC and JV companies are reported in monthly production reports. The employment data of the companies' mining sector are reported every three months and the officials occasionally conduct the site-check. The employment data of MONREC and JV companies are stated by respective departments on www.mining.gov.mm.</p> <p>Comments from ME1:</p> <p>For creation of a reporting system for employment data, it will be easy to collect the information if specific information for employment is classified.</p> <p>Comments from MGE:</p> <p>Details of employees (Male and Female) at company worksites in different gems areas are listed and kept in MGE's different regional divisions. Those lists are sent to MGE (Headquarters) on monthly basis and then forward to the Ministry.</p> <p>Comments from MOEE</p> <p>Employment data has been provided to the relevant ministry.</p>

Agency	Recommendation from the 1st, 2nd and 3rd Reports	Prior Year Progress and Comments from Agency	Implemented (Yes, No, Ongoing, Partially)	Current year Progress and Comments
	<p>community engagement);</p> <ul style="list-style-type: none"> • data on active mineral licenses by state and by region; and • guidance to be followed in the event of conflicts of interest and corruption which take account of the identities and histories of bidders. 			
26	<p>MONREC</p> <p><u>Inaccuracy of production data</u></p> <p>We understand that the production data provided by SOEs and departments falling under MoNREC was based on the submissions and declarations from the mining companies. MoNREC does not have its own procedures and systems to collect and control production data provided by the mining companies.</p> <p>We recommend that the agencies falling under MONREC set up their own mechanisms, processes and procedures to collect and control production data. Also, it is recommended that the agencies under MoNREC carry out periodic reconciliations of the production volumes declared by the mining companies with the measurements of the agency for each reporting year.</p>	<p><u>Comments from DOM</u></p> <p>Since May 2017 the system of monthly reporting of the provision of production target coordinated by both sides before starting the production and the system of field monitoring periodically have been performed.</p>	Ongoing	<p>Comments from IA:</p> <p>Production information provided by the company and the SOEs are different. Production audit is required for verification. Please see current year recommendation number 2.</p> <p>Comments from DOM:</p> <p>For SOEs, the proposed production is negotiated with respective company before the start of production. The monthly reporting system and occasional field-checks are practiced. It has been checked whether it is able to produce the proposed production. During the monsoon season (June to September) where there is no production, the production is managed by doing site-checked whether the production is certainly stopped by respective regional offices. Having observers in the mining sites and regular field-checks are also performed. Up to date monthly and fiscal-yearly production data of ME1 and ME2, the SOES under MONREC, are accessible on www.mining.gov.mm.</p> <p>Comments from ME1:</p> <p>Concerning with For inaccuracy of production data, the estimated production was defined depending on the mineral ore of company and department, and sometimes, field inspection was made to meet the targets based on the monthly reported list of production.</p> <p>Comments from ME2:</p> <p>ME2 signs the contracts by piecework system, production sharing system with the JV companies. Regarding the production data, the data is accurate for the sites under production sharing contract. The State and Region offices under ME2 are undertaking occasional field visit to have the right production for the sites under piecework contract. Starting from October, 2018, the mineral production lists are shown by States and Regions on the ME2 website.</p> <p>Comments from MGE:</p> <p>(A) Production of raw jade extracted by state-</p>

Agency	Recommendation from the 1st, 2nd and 3rd Reports	Prior Year Progress and Comments from Agency	Implemented (Yes, No, Ongoing, Partially)	Current year Progress and Comments
				owned and partner companies, and private companies in different gems areas are kept in MGE's regional divisions. Such list is sent to MGE Headquarters on daily basis and kept, and then forward to the Ministry monthly. (B) The OAG audits production and revenue from gems on financial year basis. (C) A computer program is being developed to make production data more accurate.
27	Various <u>Lack of availability and accessibility of information on companies social and environmental commitments</u> We understand that there are no regulations to date that require mandatory/voluntary expenditure and funds to be specifically disclosed in companies and SOEs annual financial statements. Companies and SOEs could consider publicly disclosing mandatory and voluntary expenditure and funds to ensure full transparency of their social and environmental commitments. Many of these expenditure and funds, if not all, are already disclosed to Government Entities, and would therefore not pose a significant challenge in being made available. Including this information in key public documents such as annual reports, press releases and financial statements, would provide an additional layer of credibility and reliability to the disclosures.	<u>Comments from DOM</u> There are no regulations provided to demand to include the compulsory voluntary expenditure and finance in the annual financial statements of Companies and State-owned Economic Enterprises. The Companies and State-owned Economic Enterprises may present their compulsory/ voluntary expenditure and finance in order to show their full transparency regarding their commitment on corporate social responsibility. These data shall be included and described in the public documents such as annual reports, press releases, financial statements etc.	No	<u>Comments from IA:</u> Under the new Mining legislation, companies will be required to spend on CSR activities. SOEs have mandatory CSR expenses, requiring 2% of retained profit to be spent on CSR. Oil and gas companies have voluntary social expenses that is subject to approval from the MOGE. Please see current year recommendation number 12. <u>Comments from DOM:</u> Since 2016, it is specified that, based on the production by the companies, 1% of sales to be contributed in environmental conservation, 2% of sales to be contributed in CSR and 2% of sales to be contributed in Mine Closure Plan. The CSR activities and amounts of the enterprise/ departments and joint ventured departments are accessible on www.mining.gov.mm. <u>Comments from MOEE</u> MOGE provides 25% of net profit as income tax, 20% as state contribution and the remaining 55% as Other Account in which 2% of them are allowed to contribute as social expenditures by the Union Government from the budget. Although, there is mandated to perform CSR activities in the PSC contract, how much need to be spent is not described. This is because oil and gas companies implement CSR activities since the study phase in accordance with International Standard. However, in accordance with the sideline of MOGE, oil and gas companies submit and undertake CSR activities as their annual allocated budget. For those CSR activities, guidelines and CSR project report samples have been submitted to Myanmar EITI National Coordination Secretariat dated 24 January 2019 with the official letter No.

Agency		Recommendation from the 1st, 2nd and 3rd Reports	Prior Year Progress and Comments from Agency	Implemented (Yes, No, Ongoing, Partially)	Current year Progress and Comments
					Admin- OuNyaMa-2/11(0047)2019 by MOGE.
28	MONREC / MOEE	<p><u>Improving the implementation of projects donated by extractive companies</u> We understand that donations and infrastructure projects by extractive companies are given directly to ultimate beneficiaries. These are not always reported by either the beneficiaries or the company to the respective State/Regions, and as such, municipalities and regions are not fully aware of the extent of the companies' contributions to extractive regions.</p> <p>It is recommended that MoEE and MoNREC coordinate with State or regional bodies to keep a record of these projects in order to ensure proper accounting of the value of these contributions and to include them in the development plan of the extractive regions to avoid duplication with the efforts made by the central government.</p>	<p><u>Comments from DOM</u> It is known that the donation and infrastructure projects by the extractive companies are directly provided to the final beneficiaries. The town/city development departments and the region do not aware such kind of provisions (aid and assistance) for the extractive areas due to never acknowledgement to the relevant Regions and States by both beneficiaries and Company. The overlapping can be avoided by inclusion of the value/ cost of such projects by recording and including the appropriate calculation to be made by the Ministry of Natural Resources and Environmental Conservation in cooperation with the Departments of Region and State and include in the development plan to be implemented in these extractive regions by the Central Government. It shall be described in the website by asking separately to the relevant Companies.</p>	Ongoing	<p>Comments from IA: No significant development in this area in FY2016-2017.</p> <p>Comments from ME2: ME2 and JV companies are collaborating in supporting the regional development for respective mining regions. The activities will be recorded by the State and Region offices under ME2 and the State and Regional Development lists will be shown on the ME2 website.</p> <p>Comments from MGE: (A) MGE is currently implementing projects/ works donated by extractive companies for regional development such as hospital, road, bridge and religious buildings. (B) It has also informed to respective Region/ State Governments and Development Committees about those projects/ works, uploaded them to the Ministry and MGE websites.</p> <p>Comments from MOEE Since the current CSR activities done not only by Ministry but also by joint venture companies are done with the coordination of State and Region governments, these activities are not duplicated and also the ones in need.</p>
29	Government Entities, SOEs	<p><u>Lack of reporting at project level</u> As noted in Section 4.7, the EITI Standard requires reporting at project level in certain circumstances. The MEITI Report does not contain this level of disaggregation because Government Entities, SOEs and companies do not allocate revenue streams between projects.</p> <p>We recommend Government Entities, SOEs as well as extractive companies assess how to disaggregate revenue streams between projects wherever possible, in order to report these revenue streams at project level.</p>	<p><u>Comments from DOM</u> The Government departments, State-owned Economic Enterprises (SOE) and Companies have been reporting the project stage financial affairs.</p>	Partially	<p>Comments from IA: Project level reporting is available for oil and gas sector. Based on the comments below, the production data is available on a project level at mining enterprises and the MPE although this was not provided for reporting and reconciliation. Please see current year recommendation number 1.</p> <p>Comments from DOM: Although there is no difficulty for ME1, ME2, Myanmar Pearl Enterprise (MPE) and Department of Mines (DOM) for reporting at project level, there will be difficult in Gems and Jade sector as one company holds several permits. Nevertheless, a total of 84 Gems and Jade companies are involved in the 4th MEITI reporting process.</p>

Agency		Recommendation from the 1st, 2nd and 3rd Reports	Prior Year Progress and Comments from Agency	Implemented (Yes, No, Ongoing, Partially)	Current year Progress and Comments
					Comments from ME1: For lack of reporting at project level, the department can describe income per project but it will be very difficult for companies which describe aggregated data in annual report but not, for each permit and each industry.
30		<u>Extracting Data and Information</u> The purpose of developing an EITI report is to provide reference to the public and shape better understanding of the reconciliation process. To this end, it is vital that the public obtains information and clarification from parties which are directly involved in the extractive governance. The team of Reconcilers faced numerous difficulties in obtaining data and confirmations due to: · red tape which hindered the data gathering process; and · data and information presented by reporting entities inconsistent with the reporting format. As a result, the EITI report was not of the expected quality. Given the constraints we faced, there was not enough time to perform data analysis properly, which could have been informative to users of the report. Focal points in reporting entities should be encouraged to take more active roles in providing data and information as well as to give comprehensive explanations and confirm elements in EITI report. The reporting format adopted by MSG could be used by reporting entities to start the data collection process, prior the Independent Administrator starting the fieldwork.		Ongoing	Comments from IA: Set noted in section 3.1.3, obtaining data and information on a timely basis for reconciliation remains challenging, with data not always being provided in electronic form and delays in reporting by reporting companies. This was also impacted by the shorter time period for the reconciliation process this year with reporting templates being submitted from 21 December 2019. The MSG should consider an earlier timeframe for data reconciliation for future EITI reports. Also see current year recommendation item 1. Comments from DOM: When Ministry of Planning and Finance and Myanmar EITI National Coordination Secretariat request for the required data from ME1, ME2, MPE, Myanmar Gems Enterprise (MGE) and DOM, it is performed in time as per guidance of the Union Minister. The production volume by sector of SOEs are now being stated in the Ministry's website, and in future, the data included in EITI reports such as the production data, foreign export, employment data, CSR data will be reported not only in template but also via website timely. Comments from ME1: For extracting data and information, it will be easier to implement if there is standardized formats to refer.
31	MSG	<u>MSG to consider expanding scope of future MEITI Reports</u> The first two MEITI reports relate only to upstream entities (i.e., actual mining and extracting companies) and do not cover sub-contractors, which are part and parcel of the extractive industry. Although coverage of the gemstone sector has expanded in the two last reports, due to massive informal activity they still cover only a fraction of the whole sector.		Ongoing	Comments from IA: It is recommended to include sub-contractors in the scope of future MEITI reports as the payments to sub-contractors are subject to withholding tax that is final income tax. It is important to consider MOGE's other activities that are not upstream activities such as CNG in the future report. Other than that, please see the MSG comments below. MSG Comments

Agency	Recommendation from the 1st, 2nd and 3rd Reports	Prior Year Progress and Comments from Agency	Implemented (Yes, No, Ongoing, Partially)	Current year Progress and Comments
	<p>We recommend for future reports that MSG considers: the inclusion of upstream sub-contractors in the extractive sector. The main objective for the inclusion of these entities is to provide a more comprehensive assessment of the value chain of these industries and their respective economic contribution; · expanding the coverage of the gems and jade sector by applying for Adapted Implementation based on the Gemstone Sector reform plan and including the trading companies in the reconciliation process; and · Military Holding companies and their subsidies as specific entities which are risky and therefore should be subject to higher level of scrutiny, including request to submit an auditors' specific attestation, specific interviews, and / or analysis and auditing of specific transactions within their accounts.</p>			<p>1. In 4th MEITI report, the scoping of Mining and Gems and Jade sector are expanded depending on not only Revenue streams but also permit areas/numbers. It also covers pearl sector in the reconciliation scope.</p> <p>2. For consideration of inclusion of Sub-Contractor, PSC contract should be amended. There is no law for PSC, so that it will need to give directive notification from DoM. Amended PSC contract will be cover on 2019-20 reporting period.</p> <p>3. To reduce informal activities in Jade and Gems sector Government should establish regional sales markets for small scale, GTC, in order to control and traceable of Jade government should regulate medium scale mining</p> <p>4. MSG should encourage to Leading committee to get access the data and qualified information from Military holding companies</p>
32	<p><u>Sale of the State' share of production</u> According to the EITI requirement (4.2), "where the sale of the state's share of production or other revenues collected in kind is material, the government, including state-owned enterprises, are required to disclose the volumes sold and revenues received. The published data must be disaggregated by individual buying company. Reporting could also break down disclosures by the type of product, price, market and sale volume." In case of Myanmar, we understand that according to the Oil and Gas PSCs, the State share on production is calculated on the basis of the total volume produced by the field. The Joint Ventures partners sell all gas revenues in accordance with a long-term gas sales contracts and the revenues received are thereafter allocated on cash basis to MOGE and the partners in accordance to the PSCs provisions. MOGE did not disclose the volume sold and revenues received disaggregated by individual buying company. Information about the price and market destination was not disclosed as well.</p> <p>We recommend to disclose all the information</p>		Ongoing	<p>Comments from IA: Based on our understanding, the MOGE buys oil and gas from the oil and gas companies and sells oil and gas to the private sectors and various government agencies. The MOGE provided detailed information on purchase and sales transactions although it took some time to prepare. The MGE did not sell its in-kind in FY 2016-2017. The DOM and the mining enterprises provide details of buyers. The MPE sold at pearl auctions. Required details for sale of state's share are provided by the government agencies for the Fourth MEITI report.</p> <p>Comments from MGE: (A) MGE contributes to the State income tax 25 % from its net profits and 20 % state contribution annually. (B) Raw jade that the MGE received as in-kind share in FY 2016-17 will be on display for sale in the 56th Myanma Gems Emporium in 2019.</p> <p>Comments from MOEE MOGE did not take in-kind data from oil and gas companies. According to Domestic Market Obligation in the Clause 14.1 and 14.4 of PSC</p>

Agency		Recommendation from the 1st, 2nd and 3rd Reports	Prior Year Progress and Comments from Agency	Implemented (Yes, No, Ongoing, Partially)	Current year Progress and Comments
		<p>required regarding the first trade of the State's share of production. This information shall include:</p> <ul style="list-style-type: none"> - the volume and value of each sale operation; - the date; - the type of mineral sold - the identity of the buying company; - the Incoterms; - the individual price of sell; and - the market/destination of the sale. 			<p>contract, MOGE buys 20% of crude oil from Share of Profit Petroleum of Contractor and 25% of Natural Gas with the 10% discount of Fair Market Value.</p> <p>Crude Oil and Natural Gas were sold and MOGE also disclose the individual buying company, the type of product sold, the destination country, the sale income.</p>
33	MSG	<p><u>Implementation of recommendations from the first, second and third MEITI reports</u></p> <p>The recommendations formulated in the first, second and third MEITI Reports emphasise the need for reforms in existing reporting mechanisms to promote better transparency through enhancement of data quality, and amendments to legislations and existing regulations. We understand that the current design of monitoring action plans to address the recommendations and observations raised in the first MEITI report is still being strengthened.</p> <p>Accordingly, we recommend that MSG implements a formal process to document the review its activities and Government Entities of the recommendations be implemented such as inclusion in the agenda of monthly MSG meetings. Also, review activities can be further re-enforced through adoption of a more structured accountability and reporting lines, as well as fixed timetable for implementation.</p>		Ongoing	<p>Comments from IA:</p> <p>Such formalised reviews have been implemented and is ongoing by the MSG.</p> <p>MSG's comments</p> <p>Implementation of recommendation of 1st, 2nd and 3rd MEITI reports, MSG discussed them in the meetings, timely updated to Working Committee and Leading Committee, monitor the activities of relevant government department if they are in their agreed timeframe, all those activities must be recorded in MSG meeting minutes</p>

Abbreviations

ADB	Asian Development Bank	IRD	Internal Revenue Department
AGM	Annual General Meeting	JV	Joint Venture
BCF	Billions of Cubic Feet	LoEI	Letter of Expression of Interest
BO	Beneficial Ownership	LME	London Metal Exchange
BOPD	Barrel Oil Per Day	LPG	Liquid Petroleum Gas
BPSD	Barrel Per Stream Day	LTO	Large Taxpayer Office
BTUs	British Thermal Unit(s)	MAC	Myanmar Accountancy Council
MCD	Myanmar Customs Department	MACCS	Myanmar Automated Cargo Clearance System
CBM	Central Bank of Myanmar	MATA	Myanmar Alliance for Transparency
CGT	Capital Gains Tax	MCD	Myanmar Customs Department
CIT	Corporate Income Tax	MCL	Myanmar Companies Law
CNG	Compressed Natural Gas	ME 1	No.1 Mining Enterprise
CNPC	China National Petroleum Corporation	ME 2	No.2 Mining Enterprise
CSO	Central Statistical Organisation	MEB	Myanma Economic Bank
CSR	Corporate Social Responsibility	MEC	Myanmar Economic Corporation
CT	Commercial Tax	MEHL	Myanmar Economic Holding Limited
DEPP	Department of Electric Power and Planning	MEITI	Myanmar Extractive Industries Transparency Initiative
DGSE	Department of Geological Survey and Mineral Explorer	MESC	Mandalay Electricity Supply Corporation
DHPI	Department of Hydropower Implementation	MFRS	Myanmar Financial Reporting Standards
DICA	Directorate of Investment and Company Administration	MFTB	Myanma Foreign Trade Bank
DMO	Domestic Market Obligation	MGE	Myanmar Gems Enterprise
DOM	Department of Mines	MGJEA	Myanmar Gems and Jewellery Entrepreneurs Association
DPTSC	Department of Power Transmission and System Control	MGEDLC	Myanmar Gems Enterprises Development Leading Committee
EIA	Environmental Impact Assessment	MIC	Myanmar Investment Commission
EITI	Extractive Industries Transparency Initiative	MMCFD	Million Cubic Feet per Day
EMP	Environmental Management Plan	MMBTU	One Million British Thermal Units
EPGE	Electric Power Generation Enterprise	MMSCF	Million Standard Cubic Feet
ERT	Electro Refined Tin	MOBD	Ministry of Budget Department
ESE	Electricity Supply Enterprise	MOE	Ministry of Energy
FDI	Foreign Direct Investment	MOEE	Ministry of Energy and Electricity
FDP	Field Development Plan	MOEP	Ministry of Electric Power
FIL	Foreign Investment Law	MOGE	Myanma Oil and Gas Enterprise
FY 2015-2016	Fiscal Year from 1 April 2015 to 31 March 2016	MoHA	Ministry of Home Affairs
FY 2016-2017	Fiscal Year from 1 April 2016 to 31 March 2017	MOM	Ministry of Mines
G&G	Geological and Geophysical Study	MONREC	Ministry of Natural Resource and Environmental Conservation
GAD	General Administration Department	MoPF	Ministry of Planning and Finance
GDP	Gross Domestic Product	MoU	Memorandum of Understanding
GEG	Gas Engine Driven Generating Set	MPE	Myanmar Pearl Enterprise
IA	Independent Administrator	MPE	Myanma Petrochemical Enterprise
IASB	International Accounting Standards Board	MPPE	Myanma Petroleum Product Enterprise
IEE	Initial Environmental Examination	MSA	Myanmar Standards on Auditing
IFAC	International Federation of Accountants	MSDP	Myanmar sustainable development plan
IFC	International Finance Corporation	MSG	Multi-Stakeholder Group
IFRS	International Financial Reporting Standards	MT	Metric Tons
IMF	International Mon	MTFF	Medium Term Fiscal Framework
IPR	Improvement of Petroleum Recovery Agreement	MTO	Medium Taxpayer Offices
		NCS	National Coordination Secretariat
		NECC	National Economics Coordination Committee

NEPAS	National Energy Puma Aviation Services
NRGI	Natural Resource Governance Institute
OA	Other Accounts
OAG	Office of the Auditor General
OAS	Official Assessment System
OECD	Organisation for Economic Co-operation and Development
OGPD	Oil and Gas Planning Department
OPTR	Operator
PCC	Performance Compensation Contract
PIT	Personal Income Tax
PRT	Pyro Refine Tin
PSC	Production Sharing Contract
PwC	PricewaterhouseCoopers Myanmar Co., Ltd
R&D	Research and Development
SAD	Self-assessment System
SEE	State Economic Enterprise
SEZ	Special Economic Zone
SGT	Specific Goods Tax
SIA	Social Impact Assessment
SME	Small and Medium-sized Enterprise
SOE	State-Owned Enterprise
SSB	Social Security Board
Tcf	Trillion Cubic Feet
Toz	Troy ounce
UFA	Union Fund Account
UMEHL	Union of Myanmar Economic Holdings Ltd
UMO	Union Minister Office
UNCITRAL	United Nations Commission on International Trade Law
USD	United States Dollars
UTL	Union Taxation Law
WHT	Withholding Tax
YESC	Yangon Electricity Supply Corporation

Appendices

Appendix 1: Extractive Companies (in scope) Profile

Appendix 1 (a): Oil and Gas

No.	Company	Registry Number	Establishment date	Core business activities	Secondary business activities	Capital	Certified FS	Auditor Name
1	Asia Orient International Ltd. (CJs Oc Nobel Oil)	N/C	N/C	N/C	N/C	N/C	N/C	N/C
2	Bashneft International B.V. (Myanmar Branch)	396FC/2014-2015	15/07/2014	Exploration of oil and gas	N/C	USD 75,000	Yes	Daw Win Htay (B.Com., C.P.A, D.B.L) Auditor/Financial Consultant
3	Berlanga Myanmar Pte Ltd., (Myanmar Branch)	1249 FC 2014-2015	19/03/2015	Exploration & Production of Crude Oil and Natural Gas	N/C	USD 89,390	Yes	Myanmar Vigour & Associates Ltd
4	BG Exploration & Production Myanmar Pte. Ltd. (Myanmar Branch)	107276645	12/05/2015	Petroleum exploration activities	N/C	N/C	Yes	EY UTW (Myanmar) Limited
5	Brunei National Petroleum Company Sdn Bhd (PB Myanmar)	786/2014	23/08/2014	Oil & Gas	N/C	28,000,000	Yes	Khin Su Htay & Associates
6	CAOG PTE LTD (MYANMAR BRANCH)	1250 FC 2014-2015	19/03/2015	Exploration & Production of Crude Oil and Natural Gas	N/C	USD 73,890	Yes	Myanmar Vigour & Associates Ltd
7	Chinnery Assets Limited (Myanmar Branch)	173001134	09/08/2002	N/C	N/C	N/C	Yes	Daw Win Htay (B.Com., C.P.A, D.B.L) Auditor/Financial Consultant
8	ENI Myanmar B.V. (Myanmar Branch)	134183292	02/12/2013	N/C	N/C	N/C	Yes	EY UTW (Myanmar) Limited
9	Gail JJ India Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
10	Geopetrol International Holding Inc.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
11	GoldPetrol Joint Operating Company Inc., (GJOC Inc.)	177 FC 97-98	04/01/1998	Exploration and Production of Crude Oil	N/C	USD 1,000	Yes	Daw Win Htay (B.Com., C.P.A, D.B.L) Auditor/Financial Consultant
12	IsTech Energy EP-5 Pte Ltd., (Myanmar Branch)	105603525	26/11/2012	N/C	N/C	N/C	Yes	Daw Win Htay (B.Com., C.P.A, D.B.L) Auditor/Financial Consultant
13	JSC Nobel Oil	N/C	N/C	N/C	N/C	N/C	N/C	N/C
14	Jubilant Oil & Gas Pte. Ltd.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
15	Korea Gas Corporation	N/C	N/C	N/C	N/C	N/C	N/C	N/C
16	MPRL E&P Pte Ltd. (Yangon Branch)	177811262	07/08/2000	Exploration and Production	N/C	N/C	Yes	Khin Su Htay & Associates
17	Nippon Oil	N/C	N/C	N/C	N/C	N/C	N/C	N/C
18	North Petro-Chem Corporation Myanmar Ltd. (NPCMM)	N/C	N/C	N/C	N/C	N/C	N/C	N/C
19	Oil India Limited	N/C	N/C	N/C	N/C	N/C	N/C	N/C
20	ONGC Videsh Ltd.,	66FC/2014-2015	25/04/2014	Oil and Gas Exploration and Development	N/C	INR 50,000,000,000	Yes	U Hla Tun & Associates Limited
21	Ophir Myanmar (Block AD-3) Limited (Myanmar Branch)	1070 FC/2014-2015	26/01/2015	Exploration & Production of Crude Oil & Natural Gas	N/C	USD 10,000,000	N/C	Myanmar Vigour & Associates Ltd

22	Pacific Hunt Energy Corporation (Myanmar Branch)	108992972	08/05/2017	Oil and Gas Exploration	Other activities related to oil & gas exploration	N/C	N/C	Myanmar Vigour & Associates Ltd
23	Petroleum Exploration (PVT) Ltd.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
24	Petrovietnam Exploration Production Corporation	N/C	N/C	N/C	N/C	N/C	N/C	N/C
25	Petronas Carigali Myanmar Inc (PCMI)	16 FC of 2011-2012	19/09/1911	Petroleum Exploration/ Production	N/C	USD 5,050,000	Yes	U Hla Tun & Associates Limited
26	Posco Daewoo Corporation (Myanmar E&P Office)	1 FC / 2002-2003	17/06/2002	Exploration, Production and Transportation of Natural Gas	N/C	N/C	Yes	U Hla Tun & Associates Limited
27	PTTEP International Ltd.	84/FC	19/10/1995	N/C	N/C	THB 20,000,000	Yes	U Hla Tun & Associates Limited
28	Reliance Industries Ltd.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
29	Shell Myanmar Energy Pte. Ltd. - Yangon Branch	107278451	24/09/2014	Petroleum exploration activities	none	N/C	Yes	EY UTW (Myanmar) Limited
30	SINOPEC	N/C	N/C	N/C	N/C	N/C	N/C	N/C
31	SNOG Pte Ltd	200823063C	12.12.2008	N/C	N/C	N/C	Yes	Daw Win Htay (B.Com., C.P.A, D.B.L) Auditor/Financial Consultant
32	Statoil Myanmar Pte. Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
33	Tap Energy (M-7) Co., Ltd. (Statoil)	N/C	N/C	N/C	N/C	N/C	N/C	N/C
34	Total E&P Myanmar	186813227	03/11/1992	Oil & Gas	N/C	2500 share / 100 FF	Yes	U Hla Tun & Associates Limited
35	TRG M15 Pte. Ltd.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
36	Unocal Myanmar Offshore Co., Ltd.	9FC of 1994-1995	21/04/1994	N/C	N/C	N/C	Yes	U Hla Tun & Associates Limited
37	Woodside Energy (Myanmar) Pte Ltd	104674488	29/11/2013	Exploration & Production of Crude Oil and Natural Gas	N/C	N/C	Yes	UTW (Myanmar) Limited
38	Parami Energy Development Company Ltd	404 of 2010-11	08/10/2015	N/C	N/C	MMK 50,000,000	N/C	U Kyi Lin
39	CFG Energy Pte Ltd.,	849 FC	01/11/2014	Oil & Gas Exploration	N/C	\$50,000	Yes	Win Thin & Associates
40	PC Myanmar (Hong Kong) Limited	21 FC of 1991-92	12/08/1991	Petroleum Exploration and Production	N/C	USD 338,500,000	Yes	U Hla Tun & Associates Limited
41	PTTEP SA	N/C	N/C	N/C	N/C	N/C	N/C	N/C

Source: Information provided by Extractive companies

N/A: Not Applicable

N/C: Not Communicated

Appendix 1 (b): Oil and Gas Transportation

No.	Company	Registry Number	Establishment date	Core business activities	Secondary business activities	Capital	Certified FS	Auditor name
1	Andaman Transportation Limited (Yangon Branch)	13 FC	08.09.2011	N/C	N/C	USD 62,500	N/C	N/C
2	Taninthayi Pipeline Company LLC	72/FC of 1997-1998	17/07/1997	Construction and operation of natural gas pipeline, processing compression and transportation of natural gas	N/C	USD 100,000	Yes	U Hla Tun & Associated Limited
3	South-East Asia Gas Pipeline Co., Ltd (Great Ocean Branch)	180954341	10. Mar.2011	N/C	N/C	USD 200,000	Yes	UTW (Myanmar) Limited
4	Moattama Gas Transportation Company (Yangon Branch)	Old=> 121FC 1995-1996, New=> 142356155	05.12.1995	Natural Gas Transportation	N/C	1,000,000 share/0.03 per share (USD)	Yes	U Hla Tun & Associated Limited

Source: Information provided by Extractive companies

N/A: Not Applicable

N/C: Not Communicated

Appendix 1 (c): Minerals

No.	Company	Registry Number	Establishment date	Core business activities	Secondary business activities	Capital	Certified FS	Auditor Name
1	Cornerstone Resources(Myanmar)Ltd;	8FC/2000-2001(1-6-2000)	01/06/2000	Mineral Exploration and Feasibility Studies Leading to Zinc Mining and Processing	N/A	USD 21,962,760.88	Yes	FOCUS CONSULTING GROUP LTD (Daw Thant Myat Win)
2	Daewoo Precious Resources Co., Ltd	N/C	N/C	N/C	N/A	N/C	N/C	N/C
3	Eternal Mining Company Limited. (Htar-Wa-Ya Mining Co.,Ltd.)	974 / 2006 - 2007	13/11/2006	Mining	N/A	MMK 7,500,000,000	Yes	Maung Maung Hteik & Associate
4	First Resources Co.,Ltd	1035/2012-2013	18/06/2012	Industrial, Production	N/A	MMK 50,000,000	N/C	N/C
5	Good Brother's Machinery Co., Ltd	427/1998-1999	26/06/2012	Lime Stone	N/A	N/C	N/C	N/C
6	Htoo International Industrial Group Co., Ltd.	131415710	11/01/2005	N/C	N/A	970,000,000	N/C	N/C
7	Kan Baw Za Industrial Co., Ltd,	No.594/20001-2002	07/09/2001	N/C	N/A	MMK 23,679.20 million	N/C	N/C
8	Kayah State Mineral Production Co.,Ltd	76212002-2003	28/02/2002	Tin-Tangstem	N/A	MMK 20,000,000,000	Yes	kyu kyu win&Associates Services Co.,Ltd
9	Mandalay Goldenfriend MiningCo.,Ltd	No-1288/2016-2017	01/11/2007	N/C	N/A	1,000,000,000	N/C	N/C
10	Mandalay Distribution and Mining Co., Ltd.	104054625	24/02/2019	N/C	N/A	MMK 50,000,000	Yes	Myat Lwin Moe
11	Max Myanmar Co., Group.	NO.141692534	17/12/2007	Cement	N/A	MMK 5,000,000,000	Yes	Myanmar Vigour and Associates Limited
12	MYANMA OIL AND GAS ENTERPRISE	MYANMA OIL AND GAS ENTERPRISE	N/C	Oil and gas production	N/A	N/C	N/C	Government
13	Myanmar Economic Corporation	N/C	1986 (Cement Factory), 2015 (Limestone), 2001 (No. 2 Gypsum), 2002 (No. 1 Gypsum), 2001 (Marble Plant)	Cement, Limestone, Gypsum, and Marble	N/A	MMK 40,067,289,442.59	N/C	Daw Yin Myat Thu (Internal) / Daw Ni Ni Win
14	Myanmar Golden PointFamily	1955/1996-1997	24/02/1997	Mining	N/A	MMK 1,000,000,000	Yes	Maung Maung Hteik & Associate
15	Myanmar Economic Holding Ltd.,	N/C	N/C	N/C	N/A	N/C	N/C	U Hla Tun & Associate Limited
16	Myanmar Wanbo Copper Mining Co., Ltd.	9FC/2010-2011	10/09/2010	Processing and marketing of cathode copper	N/A	USD 10,000,000	N/C	U Hla Tun & Associate Limited
17	Myanmar Yang Tse Copper Ltd.	19 FC (2011-2012)	08/11/2011	N/C	N/C	USD 388.560 M	Yes	Daw Win Htay
18	Ngwe Kabar Myanmar Co., Ltd	101201996	07/08/1999	Production Tin-Tingsten and Mixed Metals and Exporting	Nil	MMK 2,000,000,000	N/C	Daw Khin Win Yi
19	NGWE YI PA LE` CO., LTD.	1299/2004-2005	22/12/2004	N/C	N/C	MMK 2,055,000,000	N/C	N/C
20	NO.(1) HEAVY INDUSTRY	N/C	N/C	N/C	N/A	N/C	N/C	N/C
21	Pyi Sone Aung Mining Co., Ltd	102390784	29/11/1999	Mining	N/A	50,500,000	Yes	FOCUS CONSULTING

								GROUP LTD (Daw Thant Myat Win)
22	SAI LAUNG HEIN MINING CO.,LTD	101020169	02/10/2003	Mine	N/A	MMK 70,000,000	Yes	THIN THIN SOE
23	Shwe Taung Mining Co., Ltd	1363	05/10/2015	N/C	N/C	MMK 50,000,000	Yes	UTW(Myanmar)Limited
24	Tha Byu Mining Co., Ltd.	1117/2000-2001	15/02/2001	N/C	N/C	MMK 60,000,000	Yes	Thaung Aye & Associates
25	Than Taw Myat Co., Ltd	1593/2009-2010	01/02/2010	Cement Manufacturing.	Limestone Mining	143,484.00 Million MMK	N/C	N/C
26	Thiha Thant Hein Mining Co.,Ltd	797/2008-2009	29/09/2008	Mining	N/A	MMK 50,000,000	Yes	U Tin Latt (Latt Group)
27	Top Ten Star Production Co.,Ltd	479/2009-2010	20/07/2009	Nil	Nil	MMK 500,000,000	Yes	U Khaing Win
28	Tun Thwin Mining Co., Ltd	(old number- 1340/1999-2000) No.113284412	03/01/2000	Coal Production	N/A	MMK 500,000,000	Yes	U Kyaw Myint Tin
29	Win Myint Mo Industries Co.,Ltd.	1928/2007-2008	25/08/2008	N/C	Namtu-Bawdwin Mine	100000000	Yes	Win Group Certified Public Accounts
30	Wuntho Resources Co., Ltd	1188 FC/2014-2015	26/02/2015	Exploration	N/C	USD 8,448,744	Yes	Win Tin Associates
31	Yangon City Development Committee , Production Department	N/C	N/C	Mining(Coal), Cement Factory	N/A	MMK 20,000,00,000	N/C	N/C

Source: Information provided by Extractive companies

N/A: Not Applicable

N/C: Not Communicated

Appendix 1 (d): Gems and Jade

No.	Company	Registry Number	Establishment date	Core business activities	Secondary business activities	Capital	Certified FS	Auditor Name
1	(1.1.1) Gems & Jewellery Co.,Ltd	121174545	16/05/2006	N/C	N/C	MMK 500,000,000	Yes	Zin Wai
2	Agga Yadanar Min Yarzar Jade Gems & Jewellery Co., Ltd.	35/2012-2013	04/03/2012	N/C	N/C	300,000,000	N/C	N/C
3	Aung Aung Naing Naing Gems Co.,Ltd	948/2006-2007	26/07/2006	Production of Jade	N/C	MMK 54,000,000	Yes	THAUNG AYE & ASSOCIATES
4	Aung Myin Thu (AMT) Company	1135/1996-1997	10.1.1996	Production of Jade	N/A	MMK 5,800,000	N/C	Zin & Friends Audit Firm
5	Ayar Jade Company	92	5.5.2009	N/C	N/C	100,000,000	N/C	U Sein Kyaw Win
6	Ayeyar Yadanar Gems & Jewellery Co., Ltd.	1532/1996-1997	12/12/1996	N/C	N/C	MMK 812,000,000	N/C	U Zaw Lwin
7	Ba Wa Tet Lan	185/2004-2005	N/C	N/C	N/C	N/C	Yes	Daw New New Toe (PA No- 688)
8	Chang Long Gems & Jewellery Co.,Ltd.	147874405	15/11/1995	jade	N/C	MMK 4,000	Yes	Ngwe Izaly
9	Chaow Brothers (GCB) (Venture)	462/1995-1996	N/C	N/C	N/C	N/C	Yes	Khin Thin Kyu
10	Crystal Red Gems Co.,Ltd	1020/1995-1996	28.December.1995	N/C	N/C	MMK 500,000,000	Yes	Ngwe Izaly
11	Ever Winner Gems Company [EW]	952 / 1995-1996	27.December.1995	N/C	N/C	MMK 5,000,000,000	N/C	N/C
12	Farmer Phyoyarzar Gems Co., Ltd	941/2004-2005	08/10/2004	Gems (Trading)	N/A	50,000,000	N/C	U Myaing Audit Firm
13	Golden Grate Wall Gems Co.,Ltd	111033986	28/11/2016	Raw Jade Excavation	No	MMK 12,200,000	Yes	Daw Khin Thin Kyu Audit Firm
14	Great Nine	105254474	20.12. 1995	Gems & Jade	N/C	23,600,000	Yes	Focus Consulting Group Ltd
15	Great Genesis Gems (GMH) Company	978	N/C	Jade	Business of Culturing, Production and Selling Of Pearls	MMK 3,000,000,000	N/C	Daw Thant Myat Win
16	Hawk Kyi Jewellery Company	1425/1996-1997	15-11-1996	N/C	N/C	1,000,000,000	Yes	Myat Lwin Moe
17	Jade Pioneer Company Limited (Jade Shaesauing)	102272692	28.6.2006	Jade	Coal	500,000,000	Yes	ZIN & FRIENDS AUDIT FIRM
18	Jade Ayer International Co.,Ltd	136/2006-2007	N/C	N/C	N/C	N/C	N/C	N/C
19	Jade Mountain Gems Company	203/2000-2001	12.05.2000	Jade	N/A	MMK 1,597,050,000	Yes	U San Tun (B.A, CPA, F.B.S.A)
20	Jade Padathar Company	1161/2013-2014	N/C	N/C	N/C	5,100,000	Yes	Focus Consulting Group Ltd
21	Jade Palace (Kyauk Seinn Nandaw Gems & Jewellery Co., Ltd.)	1008/2003-2004 (100798247)	10/02/2004	Jade Mining	Jade Trading	8,500,000	N/C	Zaw Lwin & Associates
22	Jade New Gems & Jewellery Co., Ltd.	2657/2010-2011	24-3-2011	Gems	N/A	MMK 7,000,000	Yes	U San Tun (B.A, CPA, F.B.S.A)
23	JADE TREASURE COMPANY LIMITED	459/2006-2007	10.07.2006	Gems & Jade	N/A	MMK 50,000,000	Yes	Ngwe Inzaly
24	Kachin Nationals Development@ Progress Gems Co.,Ltd	938/1995-1996	27/12/1995	Jade	N/C	MMK 100,000,000	N/C	Than Than Win & Associates
25	Kaung Myat Thukha Co., Ltd	780/2014-2015	19/05/2014	N/C	N/C	MMK 500,000,000	N/C	N/C
26	Kaung Su Aung Jade & Gmes Co., Ltd.	582/2002-2003	25/11/2002	Production of Jade	N/A	MMK 11,500,000	N/C	Zin & Friends Audit Firm
27	Kaung Su Wai Hlyan Gems Co.,Ltd	295/2006-2007	12/05/2006	Gems	N/A	MMK 5,100,000	N/C	Daw Nyunt May
28	Kaung Swan Htet Company	148/2010-2011	05/05/2010	Gems & Jade	N/C	MMK 350,000,000	Yes	Ngwe Inzaly Audit Firm

29	Khin Zaw Aung & Brothers Gems and Jewellery Company Limited	1117/2007-2008	30/11/2007	N/C	N/C	MMK 500,000,000	Yes	Focus Consulting Group Ltd
30	Khine Lon Company (KL)	1811/2005-2006	29.12.2005	Jade	Business of Culturing, Production and Selling Of Pearls	MMK 1,000,000,000	N/C	Daw Thant Myat Win
31	KHUN PA-OH GEMS & JEWELLERY CO LTD.	1311/1995-1996	29-Jan-96	N/C	N/C	MMK 1,500,000,000	N/C	N/C
32	Kyaing International (GKI) Company	872/2007-2008	15-11-2007	JADE	N/C	MMK 5,000,000	Yes	Daw Thant Myat Win (Focus Consulting Group Ltd)
33	Kyauk Seinn Wingabar Jade, Gems & Jewellery Company	188/2012-2013	04/05/2012	N/C	N/C	300,000,000	Yes	Myat Lwin Moe
34	Kyauk Seinn Sun Shwin Jade, Gems & Jewellery Co., Ltd.	36/2012-2013	04/03/2012	N/C	N/C	300,000,000	N/C	N/C
35	Kyaw Naing & Brothers Gems	942	10/08/1999	JADE	N/A	MMK 50,000,000	Yes	THIN THIN SOE
36	Linn Lett Win Yadanar Gems	7/2000-2001	01/04/2000	N/C	N/C	MMK 3,300,000,000	N/C	N/C
37	Long Byit Jewellery Co.,Ltd	104973124	14-11-1995	Gems & Jewellery	No	500,000,000/-	Yes	U Min Lwin Oo
38	Lyan Shan Company	357(1995-1996)	24.11.1995	Jade & Gems	N/C	N/C	Yes	Focus Consulting Group Co.,Ltd
39	Emerald Garden Co., Ltd.	701/2011-2012	06/08/2011	Jade Production	N/A	MMK 100,000,000	N/C	Kyu Kyu Win & Associates Services Co.,Ltd.
40	GREEN MOUNTAIN COMPANY LIMITED	1161/2006-2007	13/12/2006	Gems & Jade	N/A	MMK 310,100,000	Yes	Focus Consulting Group Ltd
41	MYA YAUNG TUN GEMS & JEWELLERY Company	2393 /2012-2013	13 SEPTEMBER,2012	N/C	N/C	MMK 5,000,000	Yes	Focus Consulting Group Ltd
42	Myanmar Ruby interprise	1499/1995-1996	14-2-1996	Gems	N/C	50,000,000	Yes	Kyu Kyu Win & Associate Co.,Ltd
43	Myanmar Economic Corporation	N/C	(4/ 1997)	General Economic	N/C	N/C	N/C	Daw Mi Mi Hlaing
44	Myanmar Imperial Jade (Gems & Jewellery) Co., Ltd.	176227869	13/09/1996	N/C	N/C	MMK 50,000,000	Yes	Kyu Kyu Win & Associates Services Co., Ltd
45	Myanmar First Gems & Jewellery Company Limited	646/2006-2007	4.9.2006	N/C	N/C	MMK 5,500,000	Yes	Daw Khin Thin Kyu
46	Myanma Seinn Lei Aung (MSLA-S) Company	1675/1999-2000	March 6,2000	Gems	N/C	MMK 1,000,000,000	Yes	Myat Lwin Moe
47	MYANMAR SI-THU JEWELLERY CO;LTD	448/1995-1996	17.11.1995	jade	N/C	MMK 500,000,000	N/C	Daw Nyunt Nyunt Yi
48	Myanmar Thura Company [MTY]	362/2003-2004	N/C	N/C	N/C	755,200,000	Yes	Daw San Kyi Audit Firm
49	MYAT MYITTA MON GEMS	N/C	N/C	N/C	N/C	N/C	N/C	N/C
50	Myat Yamon Gems Company Limited	1043/ 1995-1996	29.12.1995	Jade	N/A	MMK 4,190,100,000	No	Self Assessment System
51	Myo Nwe Gems & Jewellery Company Limited	432/1999-2000	12.7.1999	Jade	N/A	MMK 3,200,000,000	No	N/C
52	Nan Hlike Pyae Paing Gems & Jewellery Company Limited	101493539	27/09/2010	N/C	N/C	MMK 107,500,000	Yes	Zaw Lwin & Associates
53	Super Natural Gems & Jewellery Co., Ltd. (Natural Best)	102003918	14/10/2011	N/C	N/C	MMK 2,000,000,000	Yes	Zaw Lwin & Associates
54	Nay La Pwint Company	927/1995-1996	N/C	N/C	N/C	100,000,000	Yes	Daw San Kyi

55	New Jade International Company (NJ)	482/1995-1996	22.Nov.1995.	Raw Jade Excavation	N/A	41,100,000	Yes	Kyu Kyu Win & Associates Services Co., Ltd
56	SILVER ELEPHANT GEMS COMPANY LIMITED (Ngwe sin)	NO.190/2001-2002	28.05.2001	N/C	N/C	MMK 500,000,000	Yes	Focus Consulting Group Limited
57	Nilar Yoma Gems Co.,Ltd	1297 / 1995-1996	29/01/1996	Gems	N/C	MMK 60,100,000	Yes	Nay Myo Aung & Associates
58	Oo Ya Gems & Jewellery Company Limited	598 / 1999-2000	10/08/1999	N/C	N/C	428,880,000	Yes	NGWE INZALY (AUDIT FIRM)
59	Pang Huke Duwa Company{PHD}	469	20.11.1995	N/C	N/C	35,000,000	N/C	D Tin Tin Kyaw
60	Pho Thar Htoo Gems Company [PTH]	252 /2003-2004	15.August.2003	N/C	N/C	MMK 100,000,000	N/C	N/C
61	CANCRI (GEMS & JEWELLERY) CO., LTD (Phu Sha Star)	1589/ 2012-2013	24/07/2012	N/C	Nil	MMK 2,500,000	Yes	Daw Kyu Kyu Win & Associaes Services Co., Ltd
62	Phyo Pyae Sone	N/C	N/C	N/C	N/C	N/C	Yes	Khin Thin Kyu
63	Phyo Thiha Kyaw Gems Co.,Ltd	990/2006-2007	15.11.2006	Jade	N/A	MMK 1,208,600,000	Yes	U San Tun (B.A, CPA, F.B.S.A)
64	Ruby Dragon Jade & Gems Co.,Ltd.	816/1995-1996	22/12/1995	Jade Mine	N/C	294,000,000	N/C	U Kyaw Nyunt
65	Sein Lom Taung Tan Gems Company Limited	183561383	25.10.1996	N/C	N/C	MMK 50,000,000	N/C	Daw Hla Than
66	Sein Thura San Company (GST)	108045671	04/12/2006	Production	N/A	MMK 51,000,000	Yes	U Zin Wai (CPA)
67	Shwe Byain Phyu (Gems) Company	786	13.3.2003	Raw Jade Porduction	N/C	201,000,000	Yes	Zaw Lwin & Associates
68	Shwe Gaung Gaung (SGG-S) Company	173478178	06/02/1996	Jade	N/C	MMK 1,000,000,000	N/C	Daw Aye Thidar(NGWE INZALY AUDIT Firm)
69	Shwe Oak Khai Mining Company Limited	101538060	06/02/2011	Jade Business	N/A	MMK 540,000,000	N/C	U Zaw Lwin
70	Shwe Pyi Thar Gems Trading and Faceting Co-op.,Ltd	KHA-3313/SALA/CHAN AYE THAR SAN	12 OCTOBER. 1995	N/C	N/C	N/C	N/C	Daw Win San
71	Super Same (SPS) Company	No. (1887)/ 1995-1996	28.3.1996	Gems & Jewellery	Nil	MMK 50,000,000	Yes	Daw Sandar Aye
72	Shining Star Light Gems& Jewellery Co.,Ltd (Tauk Pa Thaw)	193310389	13.5.2004	Raw Jade Excavation	N/A	MMK 3,500,000,000	Yes	Daw Khin Thin Kyu Audit Firm
73	THI RAW MANI GEMS & JEWELLERY COMPANY LIMITED	363/1995-1996	14/11/1995	Gem & Jade	N/C	MMK 32,000,000	Yes	KHAING WIN B.COM.C.P.A,D.B.L,D .M.L.DIL Certified Public Accountant Auditor & Financial Consultant No 83 ,32nd st, Yangon
74	Tun Naing Aung Gems Co.,Ltd	164	17/09/2001	Producon of Jade	N/C	MMK 16,100,000	Yes	THAUNG AYE & ASSOCIATES
75	UNITY GEMS CO.LTD.	1259/1995-1996	24.1.1996	N/C	N/C	MMK 5,000,000	N/C	FOCUS CONSULTING GROUP LTD
76	VALUE STANDARD GEMS & JEWELLERY CO., LTD	103215811	25.06.2015	Jade Business	N/C	MMK 500,000,000	Yes	U Zaw Lwin
77	WAI AUNG GABAR GEMS COMPANY LIMITED	696/2005-2006 (153250650)	18th July 2005	Jade Extracting	N/A	MMK 110,500,000	Yes	Daw Ohn Mar Yi Focus Consulting Group Ltd.
78	Wai Family Gems Company Limited	174 / 2000 - 2001 (102870808)	05/04/2000	Jade Extracting	N/A	MMK 5,000,000	Yes	Daw Ohn Mar Yi Focus Consulting Group Ltd.

79	Treasure Star Company Limited (Yadanar Kyal)	110015348	25/02/2000	Jade	N/C	N/C	Yes	Ngwe Inzaly
80	YADANAR SIN THIRI GEMS COMPANY LIMITED	420/2002-2003	24/09/2002	Gems & Jade	N/C	MMK 500,000,000	Yes	NGWE INZALY Audit Firm
81	Yadanar Taung Tann Gems Co.,Ltd.	787	2000-2001	N/C	N/C	1,000,000,000	Yes	U Sun Tun
82	Yadanar Three Elephant Company	1873/2015-2016	22.09.2015	Gems & Jade	N/A	MMK 500,000,000	N/C	FOCUS CONSULTING GROUP LTD
83	Yar Za Htar Ni Gems Co., Ltd	1999/2010-2011	11/01/2011	Jade Business	N/A	MMK 880,000,000	Yes	U Zaw Lwin
84	Zebu Thiri Gems Co.,Ltd	1323/2009-2010	N/C	N/C	N/C	N/C	Yes	Focus Consulting Group Ltd

Source: Information provided by Extractive companies

N/A: Not Applicable

N/C: Not Communicated

Appendix 1 (e): Pearls

No.	Company	Registry Number	Establishment date	Core business activities	Secondary business activities	Capital	Certified FS	Auditor Name
1	Annawar Pearl Company Limited	109604496	22/04/2010	N/C	N/C	200,000,000,000	Yes	U Sein Win
2	Aquagold Myanmar Co.,Ltd	110185464	09/04/2015	PEARL PRODUCTION	Nail	2,000,000,000	Yes	HNA Group
3	Belppearl Myanmar Co.,Ltd	105482817	19/08/2014	Artificial breeding of oysters, rearing of oysters and culturing of pearls	N/A	USD 1,650,000	Yes	Kyu Kyu Win & Associates Services Co., Ltd
4	Myanmar Andman Co., Ltd	104651240	23/12/1998	N/C	N/C	USD 5,000,000	Yes	Myat Lwin Moe & Associate
5	Myanmar Atlantic Co., Ltd	109939404	14/08/1998	Breeding of Oysters, Rearing of Oysters and Culturing of Pearls	N/C	USD 2,362,328.32	Yes	U Hla Tun & Associates Limited
6	Myanmar Pearl Enterprise	N/C	N/C	N/C	N/C	N/C	N/C	N/C
7	Myanmar Tasaki Co., Ltd.	22FC/2001-2002	21/06/2001	Artificial breeding and culturing of pearls	N/A	USD 8,417,754	N/C	JF Group Accounting & Auditing Firm
8	Niino Pearl Culturing Co., Ltd	1638/1999-2000	24/02/2000	Pearl Culturing	N/C	MMK 500,000,000	Yes	Tin Tin Htike
9	ORIENT PEARL Co., Ltd (Jalan)	1384/1998-1999	24/02/1999	Production of Myanmar South Sea Pearl (Jan Lann Kyunn Project)	N/C	200,000,000	Yes	WIN Group
10	ORIENT PEARL Co., Ltd (Zinyaw)	1384/1998-1999	24/02/1999	Production of Myanmar South Sea Pearl (Zinyaw Kyunn Project)	N/C	200,000,000	Yes	WIN Group
11	Pyae Phyto Tun Co., Ltd	No.884/1993-1994	07/01/1994	N/C	N/C	MMK 2,000,000,000	N/C	U Thein Zan B.A, C.P.A (R.A)
12	Pyae Sone Htet Myint Co.,Ltd	100108143	10/10/2014	Pearl Production	Nil	MMK 4,000,000,000	Yes	Myat Lwin Moe & Group

Source: Information provided by Extractive companies

N/A: Not Applicable

N/C: Not Communicated

Appendix 2: Legal Ownership

Appendix 2 (a): Oil and Gas

No.	Company	No.	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (Y/N)	Stock exchange	Owner (if the company's shares are not quoted)
1	Asia Orient International Ltd. (CJs Oc Nobel Oil)	N/C	N/C	N/C	N/C	N/C	N/C	N/C
2	Bashneft International B.V. (Myanmar Branch)	1	International B.V.	100.00%	N/C	No	N/C	N/C
3	Berlanga Myanmar Pte Ltd., (Myanmar Branch)	1	Berlanga International Pte Ltd.,	100.00%	Singapore	No	N/C	N/C
4	BG Exploration & Production Myanmar Pte. Ltd. (Myanmar Branch)	1	BG Myanmar Pte. Ltd.	100.00%	Singapore	No	N/A	N/C
5	Brunei	N/C	Ministry of Finance	100.00%	N/C	No	N/C	N/C
6	CAOG PTE LTD (MYANMAR BRANCH)	1	Berlanga International Pte Ltd.,	100.00%	Singapore	N/C	N/C	N/C
7	Chinnery Assets Limited (Myanmar Branch)	1	CNPC International Limited	100.00%	The People Republic of China	N/C	N/C	N/C
8	ENI Myanmar B.V. (Myanmar Branch)	N/C	N/C	N/C	N/C	N/C	N/C	N/C
9	Gail JJ India Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
10	Geopetrol International Holding Inc.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
11	GoldPetrol Joint Operating Company Inc., (GJOC Inc.)	1	Goldwater Company Ltd	60.00%	Indonesia	N/C	N/C	N/C
		2	North Petrol Opeating Co., Inc.	40.00%	China	N/C	N/C	N/C
12	IsTech Energy EP-5 Pte Ltd., (Myanmar Branch)	1	PT. Istech Resources Asia	N/C	N/C	N/C	N/C	N/C
13	JSC Nobel Oil	N/C	N/C	N/C	N/C	N/C	N/C	N/C
14	Jubilant Oil & Gas Pte. Ltd.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
15	Korea Gas Corporation	N/C	N/C	N/C	N/C	N/C	N/C	N/C
16	MPRL E&P Pte Ltd. (Yangon Branch)	1	MPRL E&P Pte Ltd.	100.00%	British Virgin Islands	No	N/C	N/C
17	Nippon Oil	N/C	N/C	N/C	N/C	N/C	N/C	N/C
18	North Petro-Chem Corporartion Myanmar Ltd. (NPCMM)	N/C	N/C	N/C	N/C	N/C	N/C	N/C
19	Oil India Limited	N/C	N/C	N/C	N/C	N/C	N/C	N/C
20	ONGC Videsh Ltd.,	1	ONGC Videsh Ltd.	97.00%	Indian	No	N/C	N/C
		2	M&S Limited	3.00%	Myanmar	N/C	N/C	N/C
21	Ophir Myanmar (Block AD-3) Limited (Myanmar Branch)	1	Ophir Energy Plc	100.00%	UK	Yes	London Stock Exchange	N/C
22	Pacific Hunt Energy Corporation (Myanmar Branch)	1	Grant Mogens Petersen	4.37%	Canada	N/C	N/C	N/C
		2	Holloman Value Holdings, LLC	19.96%	USA	N/A	N/A	N/C
		3	LPD Investments Ltd.	9.00%	USA	No	N/C	N/C
		4	Canaccord Genuity Corp.	5.08%	Canada	N/C	N/C	N/C
23	Petroleum Exploration (PVT) Ltd.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
24	Petronas Carigali Myanmar Inc (PCMI)	1	PC (Myanmar) Holding Limited	99.99%	Hong Kong	No	N/C	N/C

No.	Company	No.	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (Y/N)	Stock exchange	Owner (if the company's shares are not quoted)
		2	PETRONAS International Corporation Limited (PICL)	0.01%	Malaysia	No	N/C	N/C
25	Petrovietnam Exploration Production Corporation	N/C	N/C	N/C	N/C	N/C	N/C	N/C
26	Posco Daewoo Corporation (Myanmar E&P Office)	1	Posco Daewoo Corporation	100.00%	N/C	N/C	N/C	N/C
27	PTTEP International Ltd.	1	PTTEP International Limited	100.00%	N/C	N/C	N/C	N/C
28	Reliance Industries Ltd.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
29	Shell Myanmar Energy Pte. Ltd. - Yangon Branch	1	Shell EP Middle East Holdings B.V.	100.00%	Netherlands	No	N/A	N/C
30	SINOPEC	N/C	N/C	N/C	N/C	N/C	N/C	N/C
31	SNOG Pte Ltd	1	Government of Myanmar	15.00%	Myanmar	N/C	N/C	N/C
		2	SNOG Pte Ltd	80.00%	Singapore	No	N/C	N/C
		3	UPR Pte.Ltd.	5.00%	China	No	N/C	N/C
32	Statoil Myanmar Pte. Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
33	Tap Energy (M-7) Co., Ltd. (Statoil)	N/C	N/C	N/C	N/C	N/C	N/C	N/C
34	Total E&P Myanmar	N/C	Total E&P Myanmar	100.00%	French	Yes	Paris	N/C
35	TRG M15 Pte. Ltd.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
36	Unocal Myanmar Offshore Co., Ltd.	1	Chevron Global Ventures, Ltd.	100.00%	Bermuda	No	N/A	N/C
37	Woodside Energy (Myanmar) Pte. Ltd.	1	Woodside Energy (Myanmar) Pte Ltd	100.00%	Singapore	N/A	N/C	N/C
		2	Woodside Energy Holdings Pty Ltd	100.00%	Australia	N/A	N/C	N/C
		3	Woodside Energy Ltd	100.00%	Australia	N/A	N/C	N/C
		4	Woodside Petroleum Ltd	100.00%	Australia	Yes	Australian Stock Exchange (ASX)	N/C
38	Parami Energy Development Company Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
39	CFG Energy Pte Ltd.,	1	CFG Energy Pte Ltd.,	80.00%	SINGAPOREAN	No	N/C	N/C
		2	TRG M15 Pte Ltd.	10.00%	AUSTRALIAN	No	N/C	N/C
		3	CBG Pte Ltd	10.00%	MYANMAR	No	N/C	N/C
40	PC Myanmar (Hong Kong) Limited	1	PETRONAS International Corporation Limited (PICL)	100	Malaysian	No	N/C	N/C
41	PTTEP SA	N/C	N/C	N/C	N/C	N/C	N/C	N/C
Source: Information provided by Extractive companies								
N/A: Not Applicable								
N/C: Not Communicated								

Appendix 2 (b): Oil and Gas Transportation

No.	Company	No.	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (Y/N)	Stock exchange	Owner (if the company's shares are not quoted)
1	Andaman Transportation Limited (Yangon Branch)	1	Government of Myanmar	20.00%	N/C	N/C	N/C	N/C
		2	PTTEP Offshore Limited	80.00%	N/C	N/C	N/C	N/C
2	Taninthayi Pipeline Company LLC	1	PC Myanmar (Hong Kong) Limited	10.91%	Hong Kong	No	N/C	N/C
		2	Myanma Oil & Gas Enterprise	20.45%	Myanmar	No	N/C	N/C
		3	Nippon Oil and Gas Enterprise	19.32%	Japan	No	N/C	N/C
		4	PTTEP International Limited	19.32%	Thailand	No	N/C	N/C
		5	PETRONAS Carigali Myanmar III	30.00%	Cayman Islands	No	N/C	N/C
3	South-East Asia Gas Pipeline Co., Ltd (Great Ocean Branch)	1	CNPC-SEAP Co., Ltd	50.90%	China	N/C	N/C	N/C
		2	Myanma Oil & Gas Enterprise (MOGE)	7.37%	Myanmar	N/C	N/C	N/C
		3	POSCO Daewoo Corporation	25.04%	Korea	N/C	N/C	N/C
		4	ONGC Caspian E&P B. V	8.35%	India	N/C	N/C	N/C
		5	Gail (India) Limited	4.17%	India	N/C	N/C	N/C
		6	KG-SEAGP Company Limited	4.17%	Korea	N/C	N/C	N/C
4	Moattama Gas Transportation Company (Yangon Branch)	1	Total E&P Myanmar	31.24%	French	Yes	Paris	N/C
		2	Uocal Global Venture Co., Ltd	28.26%	America	Yes	America	N/C
		3	PTTEPI Co., Ltd	25.50%	Thai	Yes	Thailand	N/C
		4	Myanma Oil & Gas Enterprise	15.00%	Myanmar	No	N/C	N/C
Source: Information provided by Extractive companies								
N/A: Not Applicable								
N/C: Not Communicated								

Appendix 2 (c): Minerals

No.	Company	No.	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (Y/N)	Stock exchange	Owner (if the company's shares are not quoted)
1	Cornerstone Resources(Myanmar)Ltd;	N/C	N/C	N/C	N/C	N/C	N/C	N/C
2	Daewoo Precious Resources Co., Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
3	Eternal Mining Company Limited. (Htar-Wa-Ya Mining Co.,Ltd.)	1	U Maung Ko	34.00%	Myanmar	No	N/C	N/C
		2	U Sai Maung Aye	17.00%	Myanmar	No	N/C	N/C
		3	U Aik Shan	33.00%	Myanmar	No	N/C	N/C
		4	U Maung Latt	16.00%	Myanmar	No	N/C	N/C
4	First Resources Co.,Ltd	1	Daw Mar Lar Win	99.00%	Myanmar	No	Nil	N/C
5	ငြိတ်(ဒ်)ဘုရားသား(စု)မဂ္ဂဇွန်ကုမ္ပဏီလီမိတက်	N/C	N/C	N/C	N/C	N/C	N/C	N/C
6	Htoo International Industrial Group Co., Ltd.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
7	Kan Baw Za Industrial Co., Ltd,	1	U Ag Ko Win	39.74%	Myanmar	No	No	N/C
		2	U Yan Win	35.85%	Myanmar	No	No	N/C
		3	U Ye Htut	18.70%	Myanmar	No	No	N/C
		4	U Hla Myo	5.71%	Myanmar	No	No	N/C
8	Kayah State Mineral Production Co.,Ltd	1	Maj-Gem Khin Maung Than	N/C	N/C	N/C	N/C	N/C
		2	U Sein Than	N/C	N/C	N/C	N/C	N/C
		3	U Ba Ko	N/C	N/C	N/C	N/C	N/C
		4	U Thaw Tint	N/C	N/C	N/C	N/C	N/C
9	Mandalay Goldenfriend MiningCo.,Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
10	Mandalay Distribution and Mining Co., Ltd.	1	U Kyaw Shein	40.00%	Chinese	N/C	N/C	N/C
		2	U Sein Myo Aung	20.00%	Burmese	N/C	N/C	N/C
		3	U Thein Myint @ Kyaung Hpin	20.00%	Chinese	N/C	N/C	N/C
		4	Daw Khin Khin Myint	20.00%	Chinese	N/C	N/C	N/C
11	M Max Myanmar Co., Group.	1	U Zaw Zaw	10.00%	Myanmar	No	No	N/C
		2	Max Myanmar Co.,Ltd (U Zaw Zaw)	79.90%	Myanmar	No	No	N/C
		3	My Associate Co.,Ltd (U Ye Myint)	19.00%	Myanmar	No	No	N/C
		4	U Soe Tint	0.00%	Myanmar	No	No	N/C
		5	U Ohn Kyaw	0.00%	Myanmar	No	No	N/C
		6	Daw Htay Htay Khine	0.00%	Myanmar	No	No	N/C
12	MYANMA OIL AND GAS ENTERPRISE	N/C	N/C	N/C	N/C	N/C	N/C	N/C
13	Myanmar Economic Corporation	1	MEC	N/C	Myanmar	No	No	N/C
14	Myanmar Golden Point Family Co.,Ltd.	1	U Khin Maung Myint	0.36%	Myanmar	No	N/C	N/C
		2	Daw Shwe Ou	28.47%	Myanmar	No	N/C	N/C
		3	U Kyaw Shwe	14.23%	Myanmar	No	N/C	N/C
		4	U Kyaw Ngwe	13.88%	Myanmar	No	N/C	N/C
		5	Daw Theint Theint Swe	28.47%	Myanmar	No	N/C	N/C
		6	U Maung Maung Latt	14.23%	Myanmar	No	N/C	N/C
		7	U Kyaw Nyunt	0.36%	Myanmar	No	N/C	N/C
15	Myanmar Economic Holding Ltd.,	N/C	N/C	N/C	N/C	N/C	N/C	N/C
16	Myanmar Wanbo Copper Mining Co., Ltd.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
17	Myanmar Yang Tse Copper Ltd.	1	Yang Tse Mining	100.00%	Hong Kong	No	N/C	N/C
18	Ngwe Kabar Myanmar Co., Ltd	1	U Sai Than Aung	50.00%	Myanmar	No	Yes	N/C
		2	Daw Nan Yin	49.00%	Myanmar	No	N/C	N/C
		3	U Sai Mon	1.00%	Myanmar	No	N/C	N/C
19	NGWE YI PA LE' CO., LTD.	1	U Thein Myint @ Kyaung Hpin	43.55%	Chinese	No	No	N/C
		2	U Myint Shein	29.20%	Chinese	No	No	N/C
		3	U Kyaw Shein	6.81%	Chinese	No	No	N/C

No.	Company	No.	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (Y/N)	Stock exchange	Owner (if the company's shares are not quoted)
		4	U Tun Win	6.81%	Chinese	No	No	N/C
		5	Ushin Si @ U Hla Win	4.87%	Chinese	No	No	N/C
		6	U Shwe @ Khin Maung Swe	4.87%	Chinese	No	No	N/C
		7	U Sein Myo Aung	1.95%	Burmese	No	No	N/C
		8	Daw Khin Khin Myint	1.95%	Chinese	No	No	N/C
20	NO.(1) HEAVY INDUSTRY	N/C	N/C	N/C	N/C	N/C	N/C	N/C
21	Pyi Sone Aung Mining Co., Ltd	1	U Pyae Sone Aung@ Htan Kwe Shan	80.20%	Koe Kant	No	N/A	N/C
		2	U Zaw Min Aung @Toun Kwe Shan	19.80%	Koe Kant	No	N/A	N/C
22	SAI LAUNG HEIN MINING CO.,LTD	1	U Tin Nwe	80.00%	Myanmar	No	N/C	N/C
		2	U Sai Aung Phone	10.00%	Myanmar	No	N/C	N/C
		3	U Sai Wanna Kyaw	10.00%	Myanmar	No	N/C	N/C
23	Shwe Taung Mining Co., Ltd	1	Shwe Taung Cement Co.,Ltd	99.80%	N/C	No	N/C	N/C
		2	U Aung Zaw Naing	0.20%	N/C	No	N/C	N/C
24	Tha Byu Mining Co., Ltd.	1	Dr.Tun Min Latt	83.33%	Myanmar	No	No	N/C
		2	Dr.Win Min Soe	16.50%	Myanmar	No	No	N/C
		3	U Htun Htun	0.17%	Myanmar	No	No	N/C
25	Than Taw Myat Co., Ltd	1	U Sai Myo Thant	5.34%	Shan	No	No	N/C
		2	U Tun Tun Oo	84.00%	Chinese	No	No	N/C
		3	U Kyaw Oo	5.33%	Chinese	No	No	N/C
		4	U Sai Lone Thit	5.33%	Shan	No	No	N/C
26	Thiha Thant Hein Mining Co.,Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
27	Top Ten Star Production Co.,Ltd	1	U Kyaw Sein	42.76%	Myanmar	No	No	N/C
		2	U Than Tun	38.73%	Myanmar	No	No	N/C
		3	U Thaug Htike Min	5.03%	Myanmar	No	No	N/C
		4	U Aye Tun Shwe	4.00%	Myanmar	No	No	N/C
		5	U Min Myo Thant	4.00%	Myanmar	No	No	N/C
		6	U Arkar Soe	4.00%	Myanmar	No	No	N/C
		7	U Tin Nyunt	0.80%	Myanmar	No	No	N/C
		8	U Tun Tun	0.40%	Myanmar	No	No	N/C
		9	U Ko Ko Maung	0.28%	Myanmar	No	No	N/C
28	Tun Thwin Mining Co., Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
29	Win Myint Mo Industries Co.,Ltd.	1	U Maung Kyay	15.00%	N/C	No	No	N/C
		2	U Than Myint	23.00%	N/C	No	No	N/C
		3	U Ye Htut	2.00%	N/C	No	No	N/C
		4	U Nay Lin	2.00%	N/C	No	No	N/C
		5	Daw Aye Nyein Thu	2.00%	N/C	No	No	N/C
		6	U Kyaw Thar Oo	3.00%	N/C	No	No	N/C
		7	U Kyaw Myint Oo	3.00%	N/C	No	No	N/C
		8	NIHC	51.00%	N/C	No	No	N/C
30	Wuntho Resources Co., Ltd	1	PanAust Myanmar Pte.Ltd	80.00%	Singapore	No	N/A	N/C
		2	Myanmar Energy Resources Group International Co.Ltd	20.00%	Myanmar	No	N/A	N/C
31	Yangon City Development Committee , Production Department	1	Y.C.D.C	100.00%	N/C	No	No	N/C
Source: Information provided by Extractive companies								
N/A: Not Applicable								
N/C: Not Communicated								

Appendix 2 (d): Gems and Jade

c	Company	No.	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (Y/N)	Stock exchange	Owner (if the company's shares are not quoted)
1	(1.1.1) Gems & Jewellery Co.,Ltd	1	WIN WIN KHING @ SHORT CHANG	5.00%	MYANMAR	No	N/C	N/C
		2	SHOUK HOUN	15.00%	MYANMAR	No	N/C	N/C
		3	KHAING KHAING OO	5.00%	MYANMAR	No	N/C	N/C
		4	MIN LWIN	15.00%	MYANMAR	No	N/C	N/C
		5	TIN TIN SHWE @ SOON KYEIN YIN	44.00%	MYANMAR	No	N/C	N/C
		6	KHIN WIN KYI	15.00%	MYANMAR	No	N/C	N/C
		7	HMWE KHAYA @ HIAO SHU	1.00%	MYANMAR	No	N/C	N/C
2	Agga Yadanar Min Yarzar Jade Gems & Jewellery Co., Ltd.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
3	Aung Aung Naing Naing Gems Co.,Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
4	Aung Myin Thu (AMT) Company	N/C	N/C	N/C	N/C	N/C	N/C	N/C
5	Ayar Jade Company	1	U La hpai Hkun Sa	85.00%	N/C	No	No	N/C
		2	U L Naw San	10.00%	N/C	No	No	N/C
		3	U Shouk Houn	5.00%	N/C	No	No	N/C
6	Ayeyar Yadanar Gems & Jewellery Co., Ltd.	1	U Soe Win	99.66%	Myanmar	N/C	N/C	N/C
		2	U Kyaw Swar Oo	0.17%	Myanmar	N/C	N/C	N/C
		3	U Kyaw Thuya Oo	0.17%	Myanmar	N/C	N/C	N/C
7	Ba Wa Tet Lan	N/C	N/C	N/C	N/C	N/C	N/C	N/C
8	Chang Long Gems & Jewellery Co.,Ltd.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
9	Chaow Brothers (GCB) (Venture)	N/C	N/C	N/C	N/C	N/C	N/C	N/C
10	Crystal Red Gems Co.,Ltd	1	U Maung Sein	50.10%	N/C	N/C	N/C	N/C
		2	D Nan Myint	49.90%	N/C	N/C	N/C	N/C
11	Ever Winner Gems Company [EW]	1	U Aike Htwe	55.00%	N/C	N/C	N/C	N/C
		2	D Kyauk Chi Phone @ D Khin Phone	45.00%	N/C	N/C	N/C	N/C
12	Farmer Phyoyarzar Gems Co., Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
13	Golden Grate Wall Gems Co.,Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
14	Great Nine	1	DAW SAN SAN WAI	5.00%	MYANMAR	Yes	N/C	N/C
		2	SAW THEIN KYI	5.00%	MYANMAR	Yes	N/C	N/C
		3	LEE SEIN YIN@NAN SEIN YIN	5.00%	MYANMAR	Yes	N/C	N/C
		4	EIKE LIN	80.00%	MYANMAR	Yes	N/C	N/C
		5	SAE SHIN WAR	5.00%	MYANMAR	Yes	N/C	N/C
15	Great Genesis Gems (GMH) Company	1	Daw Nang Saw Htwe	100.00%	1/MaKaTa(N)049409	N/C	N/C	N/C
		2	Daw Naw Mu Se Wah	0.00%	7/KaTaKha(N)140551	N/C	N/C	N/C
		3	Daw Toe Myint San	0.00%	7/PhaMaNa(N)133005	N/C	N/C	N/C
16	Hawk Kyi Jewellery Company	N/C	N/C	N/C	N/C	N/C	N/C	N/C

c	Company	No.	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (Y/N)	Stock exchange	Owner (if the company's shares are not quoted)
17	Jade Pioneer Company Limited (Jade Shaesaung)	1	U Myint Soe @ U Arr Shone	88.00%	Myanmar	N/C	N/C	N/C
		2	Daw Mya Khaing	8.00%	Myanmar	N/C	N/C	N/C
		3	U Chin Ang	2.00%	Myanmar	N/C	N/C	N/C
		4	Daw Linn N we Oo	2.00%	Myanmar	N/C	N/C	N/C
18	Jade Ayer International Co.,Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
19	Jade Mountain Gems Company	1	U Sein Win	62.00%	Myanmar	N/C	N/C	N/C
		2	Daw Khin Than Kyi	36.50%	Myanmar	N/C	N/C	N/C
		3	U Kyaw Win	1.00%	Myanmar	N/C	N/C	N/C
		4	U Tin Shwe	0.50%	Myanmar	N/C	N/C	N/C
20	Jade Padathar Company	1	U Tun Kyaw	2.20%	N/C	N/C	N/C	N/C
		2	U San Hlaing	64.70%	N/C	N/C	N/C	N/C
		3	U Tun Kyaw Win	2.20%	N/C	N/C	N/C	N/C
		4	Daw Aye Aye	31.37%	N/C	N/C	N/C	N/C
21	Jade Palace (Kyauk Seinn Nandaw Gems & Jewellery Co., Ltd.)	N/C	N/C	N/C	N/C	N/C	N/C	N/C
22	Jade New Gems & Jewellery Co., Ltd.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
23	JADE TREASURE COMPANY LIMITED	1	DawKyu Kyu Aye(MD)	94.00%	Citizen	No	No	N/C
		2	U Ko Ko Oo(D)	6.00%	Citizen	No	No	N/C
24	Kachin Nationals Development@ Progress Gems Co.,Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
25	Kaung Myat Thukha Co., Ltd	1	D KYI KYI HTWE	99.00%	N/C	N/C	N/C	N/C
		2	D SAN SAN WIN	1.00%	N/C	N/C	N/C	N/C
26	Kaung Su Aung Jade & Gmes Co., Ltd.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
27	Kaung Su Wai Hlyan Gems Co.,Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
28	Kaung Swan Htet Company	1	Daw Yee Yee Lay (MD)	43.00%	Citizen	No	No	N/C
		2	Ko Aung Thein (D)	43.00%	Citizen	No	No	N/C
		3	U Nyan Kyi Htet (D)	14.00%	Citizen	No	No	N/C
29	Khin Zaw Aung & Brothers Gems and Jewellery Company Limited	N/C	N/C	N/C	N/C	N/C	N/C	N/C
		1	U Tin Win	1.00%	Myanmar	N/C	N/C	N/C
		2	U Khin Zaw Aung	0.80%	Myanmar	N/C	N/C	N/C
		3	Daw Chein Yu Yin	48.20%	Myanmar	N/C	N/C	N/C
		4	Daw Nan Lee	25.00%	Myanmar	N/C	N/C	N/C
		5	Daw Yan Shinn May	15.00%	Myanmar	N/C	N/C	N/C
		6	Daw Hla Hla Khaing	5.00%	Myanmar	N/C	N/C	N/C
		7	Fu Chan @ U San Maung	5.00%	Myanmar	N/C	N/C	N/C
30	Khine Lon Company (KL)	1	U Thiha Aung	100.00%	13/LaYaNa(N)083483	N/C	N/C	N/C
		2	Daw Hla Myat Thu	0.00%	12/BaHaNa(N)081655	N/C	N/C	N/C

c	Company	No.	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (Y/N)	Stock exchange	Owner (if the company's shares are not quoted)
31	KHUN PA-OH GEMS & JEWELLERY CO LTD.	1	U NAY SOE KYAW (MANAGING DIRECTOR)	N/C	N/C	N/C	N/C	N/C
		2	U KHUN WUNNA THU (DIRECTOR)	N/C	N/C	N/C	N/C	N/C
		3	DAW NAN HTAY HTAY LATT (DIRECTOR)	N/C	N/C	N/C	N/C	N/C
32	Kyaing International (GKI) Company	1	KYAING SAN SHWE (MANAGING DIRECTOR)	80.00%	MYANMAR	N/C	N/C	N/C
		2	WIN TIN (DIRECTOR)	20.00%	MYANMAR	N/C	No	N/C
33	Kyauk Seinn Wingabar Jade, Gems & Jewellery Company	N/C	N/C	N/C	N/C	N/C	N/C	N/C
34	Kyauk Seinn Sun Shwin Jade, Gems & Jewellery Co., Ltd.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
35	Kyaw Naing & Brothers Gems	1	U Kyaw Naing	10.00%	Myanmar	N/C	N/C	N/C
		2	U Wam Sein Yint	3.00%	Myanmar	N/C	N/C	N/C
		3	U Saing Sint	2.80%	Myanmar	N/C	N/C	N/C
		4	U Saing Kyaw Shi	42.00%	Myanmar	N/C	N/C	N/C
		5	U Saing Chin	42.00%	Myanmar	N/C	N/C	N/C
		6	U Aung Chan Min	0.20%	Myanmar	N/C	N/C	N/C
36	Linn Lett Win Yadana Gems	1	DR. TUN KYI	50.00%	N/C	N/C	N/C	N/C
		2	D KYI KYI AYE @ D AH CHIN	50.00%	N/C	N/C	N/C	N/C
37	Long Byit Jewellery Co.,Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
38	Lyan Shan Company	N/C	N/C	N/C	N/C	N/C	N/C	N/C
39	Emerald Garden Co., Ltd.	1	U Tin Maung	29.41%	Myanmar	No	N/C	N/C
		2	Daw Shwe Cynn	29.41%	Myanmar	No	N/C	N/C
		3	Daw Myint	29.41%	Myanmar	No	N/C	N/C
		4	U Kyaw Kyaw Tun	11.76%	Myanmar	No	N/C	N/C
40	GREEN MOUNTAIN COMPANY LIMITED	1	U Kyaw Thu (MD)	90.29%	Citizen	No	No	N/C
		2	Daw Mya Thandar (D)	3.22%	Citizen	No	No	N/C
		3	U Nyan Kyi Htet (D)	6.45%	Citizen	No	No	N/C
		4	U Sein Win (D)	0.04%	Citizen	No	No	N/C
41	MYA YAUNG TUN GEMS & JEWELLERY Company	1	DAW NAN AYE CHIT	250.00%	MYANMAR	NO	No	N/C
		2	U SAN MYINT OO	250.00%	MYANMAR	NO	No	N/C
42	Myanmar Ruby interprise	1	MajGen Khin Maung Than	MRE is 100% owned by MEHL	Myanmar	N/C	N/C	N/C
		2	U Sein than	N/C	Myanmar	N/C	N/C	N/C

c	Company	No.	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (Y/N)	Stock exchange	Owner (if the company's shares are not quoted)
		3	U Kyaw Min Naing	N/C	Myanmar	N/C	N/C	N/C
		4	U Thaw Tint	N/C	Myanmar	N/C	N/C	N/C
		5	U Ba ko	N/C	Myanmar	N/C	N/C	N/C
		6	U Tun Naing Aye	N/C	Myanmar	N/C	N/C	N/C
43	Myanmar Economic Corporation	N/C	N/C	N/C	N/C	N/C	N/C	N/C
44	Myanmar Imperial Jade (Gems & Jewellery) Co., Ltd.	1	MYANMA ECONOMIC HOLDING LTD	100%	MYANMAR	Yes	N/C	N/C
45	Myanmar First Gems & Jewellery Company Limited	N/C	N/C	N/C	N/C	N/C	N/C	N/C
46	Myanma Seinn Lei Aung (MSLA-S) Company	1	U Si Thu Myat	8.18%	Myanmar 7/TaNaNa (Naing) 087375	N/C	N/C	N/C
		2	U Aung Kyaw Htwe	2.04%	Myanmar 13/NaSaNa (Pyu) 000281	N/C	N/C	N/C
		3	U Hla Win	27.28%	Myanmar 13/TaKaNa (Naing) 130429	N/C	N/C	N/C
		4	Daw Aye Thandar Khaing	20.00%	Myanmar 7/TaNaNa (Naing) 000012	N/C	N/C	N/C
		5	Daw Li Kwi Shan	25.00%	Myanmar 13/KaKaNa (Naing) 024403	N/C	N/C	N/C
		6	Daw Thida Aye	12.50%	Myanmar 13/KhaMaSa (Naing) 021352	N/C	N/C	N/C
		7	Daw Myint Kyi	5.00%	Myanmar 9/MaKaNa (Naing) 095861	N/C	N/C	N/C
47	MYANMAR SI-THU JEWELLERY CO;LTD	1	U Wang Shan Lyan @ U Khin Maung Soe	33.33%	Myanmar	N/C	N/C	N/C
		2	Daw San San Aye	50.00%	Myanmar	N/C	N/C	N/C
		3	U Chit Lwin Oo @U Chit Oo Lwin	6.67%	Myanmar	N/C	N/C	N/C
		4	U SiThu	6.67%	Myanmar	N/C	N/C	N/C
		5	U Chit Khaing	3.33%	Myanmar	N/C	N/C	N/C
48	Myanmar Thura Company [MTY]	1	U Kyaw Thura	31.60%	Myanmar	N/C	N/C	N/C
		2	U Hla Soe Oo	31.50%	Myanmar	N/C	N/C	N/C
		3	Daw Than Than	31.40%	Myanmar	N/C	N/C	N/C
		4	U Thein Tun	2.60%	Myanmar	N/C	N/C	N/C
		5	U Myo Min Tun	2.60%	Myanmar	N/C	N/C	N/C
		6	U Maung Maung Hla Kyaw	0.20%	Myanmar	N/C	N/C	N/C
49	MYAT MYITTA MON GEMS	N/C	N/C	N/C	N/C	N/C	N/C	N/C

c	Company	No.	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (Y/N)	Stock exchange	Owner (if the company's shares are not quoted)
50	Myat Yamon Gems Company Limited	1	U Chit Sein	39.86%	Myanmar	No	N/C	N/C
		2	U Kyaw Oo	24.90%	Myanmar	N/C	N/C	N/C
		3	U Khin Maung Myint	25.28%	Myanmar	N/C	N/C	N/C
		4	U Tin Myint	9.96%	Myanmar	N/C	N/C	N/C
51	Myo Nwe Gems & Jewellery Company Limited	1	U Khin Maung Myint	69.81%	Myanmar	No	N/C	N/C
		2	Daw Lily Myint	28.20%	Myanmar	N/C	N/C	N/C
		3	U Nay Aung	1.99%	Myanmar	N/C	N/C	N/C
52	Nan Htike Pyae Paing Gems & Jewellery Company Limited	1	U Aike Chwin	97.00%	Myanmar	N/C	N/C	N/C
		2	U Sai My Myint Zaw	3.00%	Myanmar	N/C	N/C	N/C
53	Super Natural Gems & Jewellery Co., Ltd. (Natural Best)	1	Daw San May @ Yan San Ku	55.00%	Myanmar	N/C	N/C	N/C
		2	U Sai Soe Lay	45.00%	Myanmar	N/C	N/C	N/C
54	Nay La Pwint Company	1	U Aik Pang (Managing Director)	30.60%	Wa/Myanmar	N/C	31%	N/C
		2	U Sai Noom Lone (Director)	11.10%	Shan/Myanmar	N/C	11%	N/C
		3	Daw Myint Myint Win @ Yan Min Waw (Director)	11.20%	Koe Kant/Myanmar	N/C	11%	N/C
		4	U Yin Lin Phoo (Director)	11.10%	Koe Kant/Myanmar	N/C	11%	N/C
		5	U Aik Kwin (Director)	11.00%	Wa/Myanmar	N/C	11%	N/C
		6	U Sat Ko @ U Ba Shwe (Director)	11.00%	Shan/Myanmar	N/C	11%	N/C
		7	U Aik Pee (Director)	11.50%	Koe Kant/Myanmar	N/C	12%	N/C
		8	Daw Shauk Ho (Director)	2.50%	Koe Kant/Myanmar	N/C	3%	N/C
55	New Jade International Company (NJ)	N/C	N/C	N/C	N/C	N/C	N/C	N/C
56	SILVER ELEPHANT GEMS COMPANY LIMITED (Ngwe sin)	1	U SOEMYINT	20.00%	MYANMAR	N/C	N/C	N/C
		2	DAW NAN THAN KYI	20.00%	MYANMAR	N/C	N/C	N/C
		3	U MYO MIN SOE	20.00%	MYANMAR	N/C	N/C	N/C
		4	DAW EI MYO MYO KHAINE	20.00%	MYANMAR	N/C	N/C	N/C
		5	U SOE THEIN AUNG	20.00%	MYANMAR	N/C	N/C	N/C
57	Nilar Yoma Gems Co.,Ltd	1	U Aung Ko Win	42.00%	Myanmar	N/C	N/C	N/C
		2	Daw Nan Than Htwe	33.00%	Myanmar	N/C	N/C	N/C
		3	Daw Nang Lang Kham	25.00%	Myanmar	N/C	N/C	N/C
58	Oo Ya Gems & Jewellery Company Limited	1	U Jan Pin Chang	26.76%	Myanmar	N/C	N/C	N/C
		2	Daw Than Kyi	23.33%	Myanmar	N/C	N/C	N/C
		3	U Kyaw Sein	3.86%	Myanmar	N/C	N/C	N/C
		4	U Tin Win	2.33%	Myanmar	N/C	N/C	N/C
		5	U San Wai Chin	15.16%	Myanmar	N/C	N/C	N/C

c	Company	No.	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (Y/N)	Stock exchange	Owner (if the company's shares are not quoted)
		6	U Kyaw Wai @ San Wai Hwar	26.81%	Myanmar	N/C	N/C	N/C
		7	U Win Naing Oo	1.72%	Myanmar	N/C	N/C	N/C
59	Pang Huke Duwa Company{PHD}	1	U Khun Sar	29.00%	N/C	N/C	N/C	N/C
		2	U Au Ra Tang	21.00%	N/C	N/C	N/C	N/C
		3	Daw Nang Doi	24.00%	N/C	N/C	N/C	N/C
		4	U Labun Bauk San	5.00%	N/C	N/C	N/C	N/C
		5	U Zaw Yaw	2.50%	N/C	N/C	N/C	N/C
		6	U Bawk Aung	1.25%	N/C	N/C	N/C	N/C
		7	U Doi Hkunm	1.25%	N/C	N/C	N/C	N/C
		8	U M.Sang Tu	1.25%	N/C	N/C	N/C	N/C
		9	Daw Nan Pari	1.25%	N/C	N/C	N/C	N/C
		10	U Thant Zin	1.00%	N/C	N/C	N/C	N/C
		11	U Tun Myint	12.50%	N/C	N/C	N/C	N/C
60	Pho Thar Htoo Gems Company [PTH]	1	U Than Aye	51.00%	N/C	N/C	N/C	N/C
		2	D Myint Myint Shwe	49.00%	N/C	N/C	N/C	N/C
61	CANCRI (GEMS & JEWELLERY) CO., LTD (Phu Sha Star)	1	MYANMA ECONOMIC HOLDING LTD	100.00%	MYANMAR	Yes	N/C	N/C
62	Phyo Pyae Sone	N/C	N/C	N/C	N/C	N/C	N/C	N/C
63	Phyo Thiha Kyaw Gems Co.,Ltd	1	DAW KHIN THAN KYI	95.00%	MYANMAR	No	N/C	N/C
		2	U SEIN WIN	3.00%	MYANMAR	No	N/C	N/C
		3	U KAUNG SI THU	1.50%	MYANMAR	No	N/C	N/C
		4	U THEIN ZAW	0.20%	MYANMAR	No	N/C	N/C
		5	U YONE SHWE	0.15%	MYANMAR	No	N/C	N/C
		6	DAW YIN YIN	0.15%	MYANMAR	No	N/C	N/C
64	Ruby Dragon Jade & Gems Co.,Ltd.	1	NAY WIN SWE @ NAY WIN TUN	88.00%	MYANMAR	No	N/C	N/C
		2	YE MYAT THU	7.00%	MYANMAR	No	N/C	N/C
		3	AYE AYE MYINT	1.00%	MYANMAR	No	N/C	N/C
		4	MYINT MYAT THU	2.00%	MYANMAR	No	N/C	N/C
		5	MIN MYAT THY	2.00%	MYANMAR	No	N/C	N/C
65	Sein Lom Taung Tan Gems Company Limited	1	U YAN CHIN SEIN	21.30%	MYANMAR	N/C	N/C	N/C
		2	DAW ZU HWAM	14.20%	MYANMAR	N/C	N/C	N/C
		3	DAW AYE KYU	7.10%	MYANMAR	N/C	N/C	N/C
		4	U LAN PIYN SITE	14.20%	MYANMAR	N/C	N/C	N/C
		5	U PYIN SHO	14.20%	MYANMAR	N/C	N/C	N/C
		6	U THEIN AUNG	0.70%	MYANMAR	N/C	N/C	N/C
		7	U KYAW SOE TUN	3.50%	MYANMAR	N/C	N/C	N/C
		8	DAW KHIN THET OO	3.50%	MYANMAR	N/C	N/C	N/C
		9	DAW THAN THAN SWE	21.30%	MYANMAR	N/C	N/C	N/C

c	Company	No.	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (Y/N)	Stock exchange	Owner (if the company's shares are not quoted)
66	Sein Thura San Company (GST)	N/C	N/C	N/C	N/C	N/C	N/C	N/C
67	Shwe Byain Phyu (Gems) Company	N/C	N/C	N/C	N/C	N/C	N/C	N/C
68	Shwe Gaung Gaung (SGG-S) Company	1	U Chit Lwin	54.00%	Myanmar	No	N/C	N/C
		2	U Than Htay (@)U Maung Maung	24.00%	Myanmar	No	N/C	N/C
		3	Daw Hmawe Hmawe	13.00%	Myanmar	No	N/C	N/C
		4	U Aung Thwin Lay	7.00%	Myanmar	No	N/C	N/C
		5	U Shay Reh	1.00%	Myanmar	No	N/C	N/C
		6	U Myint Aung	1.00%	Myanmar	No	N/C	N/C
69	Shwe Oak Khai Mining Company Limited	1	U Tun Tun Oo	55.50%	Myanmar	N/C	N/C	N/C
		2	U Kyaw Oo	37.00%	Myanmar	N/C	N/C	N/C
		3	U Sai Myo Thant	1.80%	Myanmar	N/C	N/C	N/C
		4	U ARR San	1.80%	Myanmar	N/C	N/C	N/C
		5	U Kyaw Sein	1.80%	Myanmar	N/C	N/C	N/C
		6	U Sai Lon Tit	1.80%	Myanmar	N/C	N/C	N/C
70	Shwe Pyi Thar Gems Trading and Faceting Co-op.,Ltd	1	DAW SAN SAN	25.00%	MYANMAR	N/C	N/C	N/C
		2	U KYAW KYAW ZIN	25.00%	MYANMAR	N/C	N/C	N/C
		3	U THAN AUNG	5.00%	MYANMAR	N/C	N/C	N/C
		4	DAW KHIN KHIN CHAW LWIN	20.00%	MYANMAR	N/C	N/C	N/C
		5	U TIN AUNG SOE	5.00%	MYANMAR	N/C	N/C	N/C
		6	U ZAR NI OO	20.00%	MYANMAR	N/C	N/C	N/C
71	Super Same (SPS) Company	N/C	N/C	N/C	N/C	N/C	N/C	N/C
72	Shining Star Light Gems& Jewellery Co.,Ltd (Tauk Pa Thaw)	N/C	N/C	N/C	N/C	N/C	N/C	N/C
73	THI RAW MANI GEMS & JEWELLERY COMPANY LIMITED	1	U HTUN THEIN@ U TUN TUN	56.25%	MYANMAR	NO	N/C	N/C
		2	DAW WAI WAI	18.75%	MYANMAR	NO	N/C	N/C
		3	U ZAW TUN NAING	6.25%	MYANMAR	NO	N/C	N/C
		4	U ZAW TUN WAI	6.25%	MYANMAR	NO	N/C	N/C
		5	U ZAW TUN AUNG	6.25%	MYANMAR	NO	N/C	N/C
		6	DAW THAZIN HTUN	6.25%	MYANMAR	NO	N/C	N/C
74	Tun Naing Aung Gems Co.,Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
75	UNITY GEMS CO.LTD.	1	U Tin Tun @ Kyan Ein Htee	200.00%	MYANMAR	No	No	N/C
		2	Daw Nan Aye Htwen	300.00%	MYANMAR	No	No	N/C
76	VALUE STANDARD GEMS & JEWELLERY CO., LTD	1	U Saw Si Chin	99.99%	Myanmar	N/C	N/C	N/C
		2	U Than Zaw Aung	0.01%	Myanmar	N/C	N/C	N/C
77	WAI AUNG GABAR GEMS COMPANY LIMITED	1	Daw Htet Hteet Wai	22.62%	Myanmar	No	N/A	N/C

c	Company	No.	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (Y/N)	Stock exchange	Owner (if the company's shares are not quoted)
		2	U Sai Shung Twee	22.62%	Myanmar	No	N/A	N/C
		3	Daw Yu Yu San	21.05%	Myanmar	No	N/A	N/C
		4	Daw Nway Nway Hlaing	17.06%	Myanmar	No	N/A	N/C
		5	Daw Le Le Wai	16.62%	Myanmar	No	N/A	N/C
		6	U Thant zin	0.00%	Myanmar	No	N/A	N/C
78	Wai Family Gems Company Limited	1	U Sai Shang @ U Tar Wai	60.00%	Myanmar	No	N/A	N/C
		2	Daw Khin Saw Hlaing	10.00%	Myanmar	No	N/A	N/C
		3	U Sai Shung Twee	10.00%	Myanmar	No	N/A	N/C
		4	Daw Nway Nway Hlaing	10.00%	Myanmar	No	N/A	N/C
		5	Daw Yu Yu San	10.00%	Myanmar	No	N/A	N/C
79	Treasure Star Company Limited (Yadanar Kyal)	N/C	N/C	N/C	N/C	N/C	N/C	N/C
80	YADANAR SIN THIRI GEMS COMPANY LIMITED	1	U Saw Linn(MD)	92.00%	Citizen	No	No	N/C
		2	U Ah Hway	4.00%	Citizen	No	No	N/C
		3	U Sein Htay	4.00%	Citizen	No	No	N/C
81	Yadanar Taung Tann Gems Co.,Ltd.	1	U Thet Naing	20.00%	Myanmar	N/C	N/C	N/C
		2	U Than Myint	16.22%	Myanmar	N/C	N/C	N/C
		3	U Sai Lu Htwe	14.00%	Myanmar	N/C	N/C	N/C
		4	U Sai Myint Than	14.00%	Myanmar	N/C	N/C	N/C
		5	U Chit Han	13.30%	Myanmar	N/C	N/C	N/C
		6	U Maung Kyay	12.48%	Myanmar	N/C	N/C	N/C
		7	U Khin Aung	10.00%	Myanmar	N/C	N/C	N/C
82	Yadanar Three Elephant Company	1	U Hla Htoo (MD)	80.00%	Citizen	No	No	N/C
		2	U Win Kyaing (D)	20.00%	Citizen	No	No	N/C
83	Yar Za Htar Ni Gems Co., Ltd	1	U Aike Chwin	72.00%	Myanmar	N/C	N/C	N/C
		2	U Kyaw Myint	17.00%	Myanmar	N/C	N/C	N/C
		3	U Sai Lone	11.00%	Myanmar	N/C	N/C	N/C
84	Zebu Thiri Gems Co.,Ltd	1	Daw Phyu Phyu Win	50.00%	Myanmar	N/C	N/C	N/C
		2	U San Tin	50.00%	N/C	N/C	N/C	N/C
Source: Information provided by Extractive companies								
N/A: Not Applicable								
N/C: Not Communicated								

Appendix 2 (e): Pearls

No.	Company	No.	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (Y/N)	Stock exchange	Owner (if the company's shares are not quoted)
1	Annawar Pearl Company Limited	1	Daw Aye Mon	100.00%	Myanmar	N/C	N/C	N/C
2	Aquagold Myanmar Co.,Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
3	Belpearl Myanmar Co.,Ltd	1	Belpearl (S) Pte Ltd	96.00%	N/C	No	No	N/C
		2	Mrs.Marie Rose Hajjar	3.00%	Canada	No	No	N/C
		3	Mr.Pierre Hajjar	1.00%	Canada	No	No	N/C
4	Myanmar Andman Co., Ltd	1	MR. YAN LINN THEIN	31.00%	Myanmar	No	No	N/C
5	Myanmar Atlantic Co., Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
6	Myanmar Pearl Enterprise	1	MPE	100.0000%	N/C	No	No	N/C
7	Myanmar Tasaki Co., Ltd.	N/C	N/C	N/C	N/C	N/C	N/C	N/C
8	Niino Pearl Culturing Co., Ltd	1	U Ye Htun	50.00%	Myanmar	N/C	N/C	N/C
		2	Daw Myo Pa Pa Win	50.00%	Myanmar	N/C	N/C	N/C
9	ORIENT PEARL Co., Ltd (Jalan)	N/C	N/C	N/C	N/C	N/C	N/C	N/C
10	ORIENT PEARL Co., Ltd (Zinyaw)	N/C	N/C	N/C	N/C	N/C	N/C	N/C
11	Pyae Phyo Tun Co., Ltd	1	Dr Aung Lwin	33.44%	Myanmar	N/C	N/C	N/C
		2	U Hla Than	30.04%	Myanmar	N/C	N/C	N/C
		3	Daw Thet Sandar	10.17%	Myanmar	N/C	N/C	N/C
		4	Daw Khin Than Yi	10.17%	Myanmar	N/C	N/C	N/C
		5	Daw Tin War	8.04%	Myanmar	N/C	N/C	N/C
		6	Daw Myint Myint Kyu	8.04%	Myanmar	N/C	N/C	N/C
		7	U Myat Ko Ko	0.03%	Myanmar	N/C	N/C	N/C
		8	Daw Myat Thiri Khaing	0.03%	Myanmar	N/C	N/C	N/C
		9	Daw Hsu Thiri Nwe	0.03%	Myanmar	N/C	N/C	N/C
12	Pyae Sone Htet Myint Co.,Ltd	N/C	N/C	N/C	N/C	N/C	N/C	N/C
Source: Information provided by Extractive companies								
N/A: Not Applicable								
N/C: Not Communicated								

Appendix 3: Adjustments to Oil and Gas Sub-Sector

Appendix 3.1 Adjustments to Oil and Gas Sub-Sector

Appendix 3.1.1 Adjustments for the Extractive Companies

The following adjustments were made on the basis of confirmations with Extractive Companies and Government Agencies during reconciliation meetings and were supported by adequate supporting documents, such as tax challans, acknowledgement receipts, and detail statements, wherever deemed appropriate: The adjustments made are as follows:

Adjustments to Extractive Company Payments	Total amount in MMK
Payments incorrectly reported by Company	(81,924,132,285)
Payments reported in different currencies	52,412,419
Payments reported outside of FY 16 - 17	(566,897,180)
Payments reported under wrong payment type	72,035,774,563
Total Adjustments	(10,402,842,483)

Payments incorrectly reported by Company

The detail summary of adjustments below show the adjustments made due to the Extractive Companies incorrectly reported tax payments. Accordingly, the payments reported were adjusted to reflect the correct tax payments made. The significant adjustments made for PC Myanmar Ltd is due to the Company reporting payments made by the JV Consortium of the Yetagun Project and not the payments PC Myanmar Ltd made themselves. The adjustment of MMK (72,032,774,563) for PTTEP is due PTTEP reporting both Production Split and State Participation non-tax payments under Production split.

Company	Total amount (in MMK)	Stamp Duties	Commercial Tax	Signature Bonus	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Production Split (Profit Sharing)
Bashneft International B.V. (Myanmar Branch)	(900)	(900)	-	-	-	-	-
Berlanga Myanmar Pte Ltd., (Myanmar Branch)	(4,613,757)	-	(4,613,757)	-	-	-	-
ENI Myanmar B.V. (Myanmar Branch)	(31,869,978)	-	(31,869,978)	-	-	-	-
Pacific Hunt Energy Corporation (Myanmar Branch)	138,270	-	-	138,270	-	-	-
PC Myanmar (Hong Kong) Limited	(9,852,011,357)	-	-	-	(6,216,430,481)	(3,635,580,876)	-
PTTEP International Ltd.	(72,035,774,563)	-	-	-	-	-	(72,035,774,563)
Total Adjustments	(81,924,132,285)	(900)	(36,483,735)	138,270	(6,216,430,481)	(3,635,580,876)	(72,035,774,563)

Payments reported in different currencies

The adjustment below is due to Gold Petrol JOC Ltd reporting the Corporate Income Tax payment in USD, whereas the IRD reported the payment received in MMK. Accordingly, the tax payment was adjusted to reflect the MMK amount on the Tax Challans.

Company	Corporate Income Tax
Bashneft International B.V. (Myanmar Branch)	52,412,419
Total Adjustments	52,412,419

Payments reported outside of FY 16 – 17

The following adjustments are due to the Extractive Companies reporting payments that were not paid within FY 16 - 17. The significant adjustment on MMK (565,650,000) is due Parami Energy Development Company Ltd reporting a Signature Bonus payment made in 2012.

Company	Total amount (in MMK)	Stamp Duties	Corporate Income Tax	Signature Bonus
IsTech Energy EP-5 Pte Ltd., (Myanmar Branch)	(747,180)	(747,180)	-	-
Parami Energy Development Company Ltd	(566,150,000)	-	(500,000)	(565,650,000)
Total Adjustments	(566,897,180)	(747,180)	(500,000)	(565,650,000)

Payments reported under wrong payment type

The adjustment shown below for PTTEP is for the State Participation payment that was initially reported under Production Split. Accordingly, the payment has been adjusted to the correct payment type.

Company	State Participation
PTTEP International Ltd.	72,035,774,563
Total Adjustments	72,035,774,563

Appendix 3.1.2. Adjustments for the Government Agencies

The following adjustments were made on the basis of confirmations with Extractive Companies and Government Agencies during reconciliation meetings and were supported by adequate supporting documents, such as tax challans, acknowledgement receipts, and detail statements, wherever deemed appropriate: The adjustments made are as follows:

Adjustments to Government Agency Receipts	Amount in MMK
Receipts incorrectly reported by Government Agency	(171,292,439,927)
Receipts but Government Agency did not initially report	116,886,662,489
Receipts reported under wrong payment type	148,502,345,031
Adjusted due to other reasons	(642,249,229,636)
Total Adjustments	(548,152,662,042)

Receipts incorrectly reported by Government Agency

The following adjustments are due to the Government Agencies incorrectly reporting payment receipts. The adjustments to Customs Duties and Commercial Tax on Imported Capital Equipment are due to Myanmar Customs Department reporting receipts from Myanmar Petroleum Enterprise instead of from the participating entity, MPRL. The adjustments made for PC Myanmar and PTTEP are due to MOGE reporting both Production Split and State Participation non-tax payments under Production Split.

Company	Total amount (in MMK)	Custom Duties	Commercial Tax on Imported Capital Equipment	Production Split (Profit Sharing)
MPRL E&P Pte Ltd. (Yangon Branch)	(73,023,522)	(15,340,137)	(57,683,385)	-
PC Myanmar (Hong Kong) Limited	(148,502,345,033)	-	-	(148,502,345,033)
PTTEP International Ltd.	(22,717,071,372)	-	-	(22,717,071,372)
Total Adjustments	(171,292,439,927)	(15,340,137)	(57,683,385)	(171,219,416,405)

Receipts received but Government Agency did not initially report

The following adjustments are due to the Government Agencies not reporting receipts of payments reported by Extractive Companies. Accordingly, the receipts reported were adjusted to reflect the correct tax payments received. The significant adjustment of MMK 44 for PTTEP were made after sighting to supporting documents from MOGE.

Company	Total amount (in MMK)	Stamp Duties	Signature Bonus	Royalties	State Participation
GoldPetrol Joint Operating Company Inc., (GJOC Inc.)	200,000	200,000	-	-	-
Ophir Myanmar (Block AD-3) Limited (Myanmar Branch)	20,291	-	20,291	-	-
PTTEP International Ltd.	116,880,583,353	-	-	44,844,808,790	72,035,774,563
Woodside Energy (Myanmar) Pte Ltd	5,858,845	5,858,845	-	-	-
Total Adjustments	116,886,662,489	6,058,845	20,291	44,844,808,790	72,035,774,563

Receipts reported under wrong payment type

The adjustment shown below for PC Myanmar is for the receipt of State Participation payment that was initially reported under Production Split. Accordingly, the payment has been adjusted to the correct payment type.

Company	State Participation
PC Myanmar (Hong Kong) Limited	148,502,345,031
Total Adjustments	148,502,345,031

Adjusted due to other reasons

Posco Daewoo Corporation (Myanmar E&P Office) makes Royalty and Production Split payments to a Euro currency account, which has been opened by MFTB and China Development Bank (CDB) per a loan agreement. As per MOGE's explanation the agreement states that all revenue from the Shwe and SEAGP pipeline projects must be transferred directly to the aforementioned foreign currency account.

According to MOGE, payments made to the Euro currency account are not transferred immediately to MOGE's MMK account at MEB due to a clause in the loan agreement that required a certain minimum balance. MOGE only receives payment into their MMK MEB account when MFTB issues Payment Orders. Therefore the amounts that are paid to the Euro currency account and the amounts that are transferred to MOGE's MMK account do not reconcile. MOGE had initially disclosed the amounts that they received in the MEB account for FY 16 - 17.

However MOGE has explained that in their financial statements they record the amounts that are received in the Euro Currency account. They also issue official acknowledgment receipts to the Company when the amounts are received in the Euro Currency account. MOGE has provided the acknowledgement receipts as well as statements to show the amounts entering into the Euro Currency account and the amounts being transferred into their MMK MEB account. Accordingly, the Royalty and Production Split amounts have been adjusted to reflect the payments received in the Euro currency accounts.

Company	Total amount (in MMK)	Royalties	Production Split (Profit Sharing)
Posco Daewoo Corporation (Myanmar E&P Office)	(642,249,229,636)	(143,079,526,637)	(499,169,702,999)
Total Adjustments	(642,249,229,636)	(143,079,526,637)	(499,169,702,999)

Appendix 3.2 Adjustments to Oil and Gas Transportation Sub-Sector

Appendix 3.2.1. Adjustments for the Extractive Companies

The following adjustments were made on the basis of confirmations with Extractive Companies and Government Agencies during reconciliation meetings and were supported by adequate evidence, such as tax challans, acknowledgement receipts, and detail statements, wherever deemed appropriate:

Adjustments to Extractive Company Payments	Total amount in MMK
Payments incorrectly reported by Company	(48,520,200,000)
Payments paid but Company did not initially report	23,148,051,232
Payments reported in different currencies	1,914,556,930
Total Adjustments	(23,457,591,838)

Payments incorrectly reported by Company

The adjustment amount below relates to Andaman incorrectly reporting shareholder's loan repayments as Profit Sharing payments. Andaman did not make any profit sharing payments in FY 16 - 17 as they are still in their loan repayment period.

Company	Profit Sharing
Andaman Transportation Limited (Yangon Branch)	(48,520,200,000)
Total Adjustments	(48,520,200,000)

Payments paid but Company did not initially report

The adjustment is due to SEAGP initially omitting to report the Profit Sharing payments.

Company	Profit Sharing
South-East Asia Gas Pipeline Co., Ltd (Great Ocean Branch)	23,148,051,232
Total Adjustments	23,148,051,232

Payments reported in different currencies

Company	Corporate Income Tax
Moattama Gas Transportation Company (Yangon Branch)	1,914,556,930
Total Adjustments	1,914,556,930

Appendix 3.2.2. Adjustments for the Government Agencies

The following adjustments were made on the basis of confirmations with Extractive Companies and Government Agencies during reconciliation meetings and were supported by adequate evidence, such as tax challans, acknowledgement receipts, and detail statements, wherever deemed appropriate:

Adjustments to Government Agency Receipts	Total amount (in MMK)
Receipt incorrectly reported by Government Agency	(39,333,250,531)
Grand Total	(39,333,250,531)

Receipt incorrectly reported by Government Agency

The following adjustments are due to the MOGE reporting the incorrect receipt amounts for Right of Way payments from Andaman and Profit Sharing payments from SEAGP.

Company	Total amount (in MMK)		Right of Way	Profit Sharing
Andaman Transportation Limited (Yangon Branch)	251,400,000		251,400,000	
South-East Asia Gas Pipeline Co., Ltd (Great Ocean Branch)	(39,584,650,531)			(39,584,650,531)
Total Adjustments	39,333,250,531		251,400,000	(39,584,650,531)

Company	Total amount (in MMK)		Right of Way	Profit Sharing
Andaman Transportation Limited (Yangon Branch)	251,400,000		251,400,000	
South-East Asia Gas Pipeline Co., Ltd (Great Ocean Branch)	(39,584,650,531)			(39,584,650,531)
Total Adjustments	39,333,250,531		251,400,000	(39,584,650,531)

Appendix 4: Adjustments to Gems and Jade

Appendix 4.1. Adjustments for the Extractive Companies

The following adjustments were made on the basis of confirmations with Extractive Companies and Government Agencies during reconciliation meetings and were supported by adequate supporting documents, such as tax challans, acknowledgement receipts, and detail statements, wherever deemed appropriate: The adjustments made are as follows:

Adjustments to Extractive Company Payments	Total amount in MMK
Payment incorrectly reported by Company	(1,219,771,927)
Payment reported in different currencies	(6,692,459,308)
Payment reported outside of FY 16 - 17	(3,362,698,677)
Payment reported under wrong payment type	(4,852,420,129)
Payment paid but Companies did not initially report	21,514,469,164
Adjusted due to the other reasons	(27,333,922,284)
Total Adjustments	(21,946,803,160)

Payment incorrectly reported by Company

The detail summary of adjustments below show the adjustments made due to the Extractive Companies incorrectly reporting tax payments. Accordingly, the payments reported were adjusted to reflect the correct payments made. The significant adjustments made for Great Genesis Gems (GMH) Company is due to the company reported the specific goods tax payment incorrectly.

Company	Total amount (in MMK)		Custom Duties	Commercial Tax	Central Committee 1% on sales	Commercial Tax on Imported Capital Equipment	Commercial Tax on Imports on Raw Materials and Inventories	Corporate Income Tax	Production Split - 25% of sales net of Tax	Royalties on Production - Raw Materials 20%, Added Value 10%	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Supervision Fees for Euro Sales	Withholding Tax
(1.1.1) Gems & Jewellery Co., Ltd	(2,082,334)		(2,082,334)	-	-	-	-	-	-	-	-	-	-	-
Agga Yadanar Min Yarzar Jade Gems & Jewellery Co., Ltd.	75,764,438		-	75,764,438	-	-	-	-	-	-	-	-	-	-
Ayar Jade Company	45,290,200		-	-	-	-	-	-	-	45,290,200	-	-	-	-
Ever Winner Gems Company [EW]	15,429,142		-	(2,052,599)	-	17,481,741	-	-	-	-	-	-	-	-
Farmer Phyoarzar Gems Co., Ltd	(22,856,690)		-	-	-	-	-	-	(22,856,690)	-	-	-	-	-
Great Genesis Gems (GMH) Company	(851,644,474)		-	-	-	-	-	-	-	-	-	(851,644,474)	-	-
Great Nine	(264,200)		-	-	-	-	-	-	-	(264,200)	-	-	-	-
Hawk Kyi Jewellery Company	99,811,632		-	-	-	-	-	-	-	-	99,811,632	-	-	-
Jade Mountain Gems Company	(41,265,834)		-	-	-	-	-	-	(31,367,689)	-	-	-	(9,898,145)	-

Company	Total amount (in MMK)		Custom Duties	Commercial Tax	Central Committee 1% on sales	Commercial Tax on Imported Capital Equipment	Commercial Tax on Imports on Raw Materials and Inventories	Corporate Income Tax	Production Split - 25% of sales net of Tax	Royalties on Production - Raw Materials 20%, Added Value 10%	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Supervision Fees for Euro Sales	Withholding Tax
Jade Padathar Company	(18,091,457)		-	(1,956,127)	-	-	-	-	-	-	(16,135,330)	-	-	-
Jade Pioneer Company Limited (Jade Shaesaung)	6,304,294		-	-	-	-	-	-	-	-	913,652	5,390,642	-	-
Kachin Nationals Development@ Progress Gems Co.,Ltd	(50,509,230)		-	(50,509,230)	-	-	-	-	-	-	-	-	-	-
Kyauk Seinn Wingabar Jade, Gems & Jewellery Company	29,831,600		-	-	-	-	-	-	-	29,831,600	-	-	-	-
Lyan Shan Company	(1,038,654)		-	-	-	-	-	(35,299,000)	(1,861,162)	900,000	-	-	(77,493)	35,299,000
Myanmar Ruby interprise	2,989,085		-	2,989,085	-	-	-	-	-	-	-	-	-	-
Myanmar First Gems & Jewellery Company Limited	28,542,220		(990,156)	29,532,376	-	-	-	-	-	-	-	-	-	-
Myanmar Imperial Jade (Gems & Jewellery) Co., Ltd.	(69,046,187)		-	-	-	-	-	-	-	-	-	-	(69,046,187)	-
Myanmar Thura Company [MTY]	(245,634,265)		-	(8,046,327)	-	-	-	-	-	-	(301,829,648)	64,241,709	-	-
Myo Nwe Gems & Jewellery Company Limited	(7,647,720)		-	-	-	-	-	-	(6,928,037)	-	-	-	(719,683)	-
Nan Htiye Pyae Paing Gems & Jewellery Company Limited	(163,952,782)		-	-	-	-	(163,952,782)	-	-	-	-	-	-	-
Nay La Pwint Company	(20,799)		-	-	-	-	-	-	-	-	(12,027,610)	-	12,006,811	-
New Jade International Company (NJ)	(17,052,422)		-	(17,052,422)	-	-	-	-	-	-	-	-	-	-
Oo Ya Gems & Jewellery Co.,Ltd	292,181		-	273,919	18,262	-	-	-	-	-	-	-	-	-
Pho Thar Htoo Gems Company [PTH]	(41,948,167)		-	(8,153,987)	-	-	-	-	-	-	(41,948,167)	-	-	-
Phyo Thiha Kyaw Gems Co.,Ltd	(8,153,987)		-	-	-	-	-	-	-	-	-	-	-	-
Shining Star Light Gems& Jewellery	-		-	-	-	-	-	-	(10,066,894)	-	-	10,066,894	-	-

Company	Total amount (in MMK)		Custom Duties	Commercial Tax	Central Committee 1% on sales	Commercial Tax on Imported Capital Equipment	Commercial Tax on Imports on Raw Materials and Inventories	Corporate Income Tax	Production Split - 25% of sales net of Tax	Royalties on Production - Raw Materials 20%, Added Value 10%	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Supervision Fees for Euro Sales	Withholding Tax
Co.,Ltd (Tauk Pa Thaw)														
Shwe Byain Phyu (Gems) Company	(3,767,594)		-	-	-	-	(3,767,594)	-	-	-	-	-	-	-
Shwe Pyi Thar Gems Trading and Faceting Co-op.,Ltd	15,412,094		-	-	-	-	-	-	-	-	-	15,412,094	-	-
Super Natural Gems & Jewellery Co., Ltd. (Natural Best)	(3,246,810)		-	-	-	-	-	-	(3,246,810)	-	-	-	-	-
THI RAW MANI GEMS & JEWELLERY COMPANY LIMITED	(73,811,459)		-	-	-	-	-	(73,811,459)	-	-	-	-	-	-
UNITY GEMS CO.LTD.	3,804,950		-	-	-	-	-	-	-	3,804,950	-	-	-	-
VALUE STANDARD GEMS & JEWELLERY CO., LTD	98,577,106		-	-	-	89,715,102	-	8,862,004	-	-	-	-	-	-
YADANAR SIN THIRI GEMS COMPANY LIMITED	(19,785,802)		-	(10,880,218)	-	-	-	-	-	-	(8,905,584)	-	-	-
Total Adjustments	(1,219,771,927)		(3,072,490)	9,908,908	18,262	107,196,843	(167,720,376)	(100,248,455)	(76,327,281)	79,562,550	(280,121,055)	(756,533,136)	(67,734,697)	35,299,000

Payment reported in different currencies

The adjustment below is due to the participating companies reported EURO amount for payment in MMK. Hence, the adjustment was made to correct the payment transactions.

Company	Total amount (in MMK)	Production Split - 25% of sales net of Tax	Royalties on Production - Raw Materials 20%, Added Value 10%	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Supervision Fees for Euro Sales	Commercial Tax
Ayar Jade Company	340,788,873	-	-	-	24,727,753	-	316,061,120
Ayeyar Yadanar Gems & Jewellery Co., Ltd.	825,289,561	-	-	-	825,289,561	-	
Chang Long Gems & Jewellery Co.,Ltd.	(902,276,621)	-	-	(1,394,785)	(817,154,860)	-	(83,726,976)
Great Nine	35,402	-	-	-	35,402	-	
Kachin Nationals Development@ Progress Gems Co.,Ltd	(509,389,134)	-	(24,856,614)	-	(484,532,520)	-	
Kaung Su Wai Hlyan Gems Co.,Ltd	(375,398)	-	-	-		-	(375,398)
Khine Lon Company (KL)	18,186,456	-	-	-	17,744,530	-	441,926
KHUN PA-OH GEMS & JEWELLERY CO LTD.	(3,251,566,386)	(3,248,167,806)		(2,688,138)	-	(710,442)	
Kyaing International (GKI) Company	(55,870,000)	-	-	-	(67,305,407)	-	11,435,407
Long Byit Jewellery Co.,Ltd	(4,856,209)	-	-	-	(4,856,209)	-	-
MYA YAUNG TUN GEMS & JEWELLERY Company	(8,906,218)	-	-	(8,906,218)	-	-	-
Myanmar First Gems & Jewellery Company Limited	945,657,355	-	-	-	945,657,355	-	-
New Jade International Company (NJ)	(36,977,257)	-	-	-	(36,977,257)	-	-
Oo Ya Gems & Jewellery Co.,Ltd	(2,148,352,202)	-	-	-	(2,030,922,154)	-	(117,430,048)
Pang Huke Duwa Company{PHD}	5,526,407	-	-	-	5,463,819	-	62,588
Ruby Dragon Jade & Gems Co.,Ltd.	(8,779,815)	-	-	-	(12,228,973)	-	3,449,157
Sein Thura San Company (GST)	(36,269,683)	-	-	-	-	-	(36,269,683)
Shwe Byain Phyu (Gems) Company	246,619,424	16,632,944		33,462,691	185,886,619	8,886,080	1,751,090
SILVER ELEPHANT GEMS COMPANY LIMITED (Ngwe sin)	(6,936,677)	-	-	-	-	-	(6,936,677)
Super Natural Gems & Jewellery Co., Ltd. (Natural Best)	(90,010,616)	-	-	-	-	-	(90,010,616)
Treasure Star Company Limited (Yadanar Kyal)	1,283,869	-	-	1,283,869	-	-	
UNITY GEMS CO.LTD.	1,230,859,149	-	-	-	1,167,094,887	-	63,764,262
WAI AUNG GABAR GEMS COMPANY LIMITED	(818,336,062)	-	-	(818,336,062)	-	-	-
Wai Family Gems Company Limited	(2,546,506)	-	-	(2,546,506)	-	-	-
YADANAR SIN THIRI GEMS COMPANY LIMITED	(1,524,571,115)	-	-	-	(1,524,571,115)	-	-
Yar Za Htar Ni Gems Co., Ltd	(900,685,906)	-	-	-	(353,357,024)	-	(547,328,882)
Total Adjustments	(6,692,459,308)	(3,231,534,862)	(24,856,614)	(799,125,150)	(2,160,005,592)	8,175,638	(485,112,728)

Payment reported outside of FY 16 – 17

The following adjustments are due to the Extractive Companies reporting payments that were not paid within FY 16 - 17. The significant adjustment on MMK (2,262,771,753) is due Wai Aung Gabar Gems Company reporting a specific goods tax payment made in FY15-16.

Company	Total amount (in MMK)	Custom Duties	Permit/License Fee	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Supervision Fees for Euro Sales	Corporate Income Tax
Great Nine	(1,000,000)	-	(1,000,000)	-	-	-	-
Jade Padathar Company	(36,107,057)	-	-	-	-	-	(36,107,057)
Kyaing International (GKI) Company	(13,920,292)	-	-	(13,920,292)	-	-	-
Myanma Seinn Lei Aung (MSLA-S) Company	(80,526,134)	-	-	-	-	-	80,526,134)
Myanmar Imperial Jade (Gems & Jewellery) Co., Ltd.	(153,317,763)	-	-	(22,329,391)	(130,988,372)	-	-
Myanmar Thura Company [MTY]	29,651,250	-	-	-	-	-	29,651,250
Myat Yamon Gems Company Limited	(1,428,960)	-	-	-	-	(1,428,960)	-
Nilar Yoma Gems Co.,Ltd	26,300,000	-	-	-	-	-	26,300,000
Shining Star Light Gems& Jewellery Co.,Ltd (Tauk Pa Thaw)	(269,729)	(269,729)	-	-	-	-	-
Shwe Pyi Thar Gems Trading and Faceting Co-op.,Ltd	(160,713,222)	-	-	-	-	-	(160,713,222)
SILVER ELEPHANT GEMS COMPANY LIMITED (Ngwe sin)	(378,511,001)	-	-	-	-	-	(378,511,001)
Super Natural Gems & Jewellery Co., Ltd. (Natural Best)	542,321,401	-	-	-	542,321,401	-	-
THI RAW MANI GEMS & JEWELLERY COMPANY LIMITED	39,423,126	-	-	-	-	39,423,126	-
WAI AUNG GABAR GEMS COMPANY LIMITED	(2,262,771,753)	-	-	-	(2,262,771,753)	-	-
Yadanar Taung Tann Gems Co.,Ltd.	(911,828,542)	-	-	-	-	-	(911,828,542)
Total Adjustments	(3,362,698,677)	(269,729)	(1,000,000)	(36,249,683)	(1,851,438,725)	37,994,166	(1,511,734,706)

Payment reported under wrong payment type

The adjustment shown below are the payment that was initially reported under the different payment type. Accordingly, the payment has been adjusted to the correct payment type

Company	Total amount (in MMK)	Commercial Tax	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Production Split - 25% of sales net of Tax	Royalties on Production - Raw Materials 20%, Added Value 10%	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Supervision Fees for Euro Sales
(1.1.1) Gems & Jewellery Co.,Ltd	-	41,883,973	-	(41,883,973)	-	-	-	-	-	-
Agga Yadanar Min Yarzar Jade Gems & Jewellery Co., Ltd.	804,014,425	-	-	-	-	-	-	-	804,014,425	-
Aung Aung Naing Naing Gems Co.,Ltd	693,760,765	3,988,056	-	-	-	-	-	-	689,772,709	-
Ayeyar Yadanar Gems & Jewellery Co., Ltd.	(844,635,466)	-	-	-	-	-	-	-	(844,635,466)	-
Ba Wa Tet Lan	-	-	-	-	-	-	-	-	-	-
Chaow Brothers (GCB) (Venture)	35,844,570	(12,776,753)	-	-	-	-	48,621,322	-	-	-
Ever Winner Gems Company [EW]	3,050,607	-	-	-	3,050,607	-	-	-	-	-
Farmer Phyoayzar Gems Co., Ltd	2,003,446	-	-	-	-	-	-	2,003,446	-	-
GREEN MOUNTAIN COMPANY LIMITED	14,621,100	(24,989,008)	39,610,108	-	-	-	-	-	-	-
Jade Palace (Kyauk Seinn Nandaw Gems & Jewellery Co., Ltd.)	7,131,028	-	-	-	-	-	-	4,266,796	-	2,864,232
Jade Pioneer Company Limited (Jade Shaesaung)	(298,158,946)	-	-	(298,158,946)	-	-	-	-	-	-
Kaung Myat Thukha Co., Ltd	(429,533,842)	-	52,670,063	-	-	-	-	(16,893,980)	(465,309,925)	-
Kaung Swan Htet Company	855,664,476	-	-	-	-	(20,464,511)	-	(36,430,441)	877,477,423	35,082,005
Khin Zaw Aung & Brothers Gems and Jewellery Company Limited	(10,284,150,369)	(129,498,990)	-	-	-	-	-	-	(10,154,651,380)	-
MYA YAUNG TUN GEMS & JEWELLERY Company	8,906,218	-	-	-	-	-	-	-	-	8,906,218
MYANMAR SI-THU JEWELLERY CO;LTD	282,881,629	(323,949)	-	-	-	-	-	-	283,205,579	-
Myat Yamon Gems Company Limited	(86,243,517)	(86,243,517)	-	-	-	-	-	-	-	-
Myo Nwe Gems & Jewellery Company Limited	(41,226,830)	(41,226,830)	-	-	-	-	-	-	-	-
Nay La Pwint Company	(205,376)	-	-	-	-	(205,376)	-	-	-	-
Pang Huke Duwa Company{PHD}	(3,873,192)	-	-	-	-	-	-	-	-	(3,873,192)
Pho Thar Htoo Gems Company [PTH]	49,083,804	(15,408,151)	-	-	-	-	-	-	22,543,787	41,948,167
Phyo Thiha Kyaw Gems Co.,Ltd	(3,022,730)	-	-	-	-	(1,749,125)	-	(827,016)	-	(446,589)
Shining Star Light Gems& Jewellery Co.,Ltd (Tauk Pa Thaw)	30,409,554	30,409,554	-	-	-	-	-	-	-	-
Shwe Oak Khai Mining Company Limited	(42,525,742)	(42,525,742)	-	-	-	-	-	-	-	-
SILVER ELEPHANT GEMS COMPANY LIMITED (Ngwe sin)	3,019,390,909	-	-	-	-	-	-	-	3,019,390,909	-
THI RAW MANI GEMS & JEWELLERY COMPANY LIMITED	1,453,764,658	-	-	-	-	(17,981,887)	-	-	1,471,746,545	-
VALUE STANDARD GEMS & JEWELLERY CO., LTD	(426,896,601)	(239,905,409)	-	-	-	-	-	-	(186,991,192)	-
Yar Za Htar Ni Gems Co., Ltd	347,525,292	-	347,525,292	-	-	-	-	-	-	-
Total Adjustments	(4,852,420,129)	(516,616,765)	439,805,463	(340,042,919)	3,050,607	(40,400,899)	48,621,322	(47,881,194)	(4,483,436,587)	84,480,842

Payment paid but companies did not initially report

The adjustment shown below are the payment that was not initially reported. Accordingly, the payment has been adjusted after supporting with documents.

Company	Total amount (in MMK)		Central Committee 1% on sales	Commercial Tax	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Permit/License Fee	Production Split - 25% of sales net of Tax	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Supervision Fees for Euro Sales	Royalties on Production - Raw Materials 20%, Added Value 10%
(1.1.1) Gems & Jewellery Co.,Ltd	858,587,032		-	-	-	-	-	-	-	-	858,587,032	-	-
Ayeyar Yadanar Gems & Jewellery Co., Ltd.	1,246,752,032		-	7,273,272	-	-	-	-	-	-	-	-	1,239,478,760
Chaow Brothers (GCB) (Venture)	363,562,993		-	-	-	56,677,789	-	-	294,546,476	438,009	-	11,900,719	-
Chang Long Gems & Jewellery Co.,Ltd.	2,085,978		-	-	-	-	2,085,978	-	-	-	-	-	-
Ever Winner Gems Company [EW]	4,190,238		-	-	-	4,190,238	-	-	-	-	-	-	-
Farmer Phyoarzar Gems Co., Ltd	517,205,998		-	43,080,396	-	(211,816,438)	-	-	-	-	663,520,641	-	22,421,400
Golden Grate Wall Gems Co.,Ltd	15,172,960		-	-	-	-	-	-	-	-	-	-	15,172,960
GREEN MOUNTAIN COMPANY LIMITED	34,412,350		-	(14,196,446)	-	-	-	-	(119,504)	-	-	-	48,728,300
Jade Padathar Company	340,705,316		18,261	-	-	-	-	-	284,483,015	-	-	11,494,241	44,709,800
Jade Palace (Kyauk Seinn Nandaw Gems & Jewellery Co., Ltd.)	47,021,993		-	-	-	-	-	-	47,021,993	-	-	-	-
Jade Pioneer Company Limited (Jade Shaesaung)	(1,365,484)		-	(4,612,684)	-	-	-	-	-	-	-	-	3,247,200
JADE TREASURE COMPANY LIMITED	17,838,828		-	-	14,659,028	-	-	-	-	-	-	-	3,179,800
Kachin Nationals Development@ Progress Gems Co.,Ltd	(156,075,546)		-	-	-	(156,075,546)	-	-	-	-	-	-	-
Kaung Myat Thukha Co., Ltd	30,893,980		-	-	-	14,000,000	-	-	-	-	-	16,893,980	-
Kaung Su Aung Jade & Gmes Co., Ltd.	318,390,983		-	-	-	-	-	-	286,942,932	-	5,322,501	-	26,125,550
Kaung Su Wai Hlyan Gems Co.,Ltd	(9,377,449)		-	-	-	-	-	-	-	-	(9,377,449)	-	-
Kaung Swan Htet Company	288,753,119		-	41,137,131	6,215,188	-	-	-	-	-	-	-	241,400,800
Khine Lon Company (KL)	(229,303,104)		53,044	-	-	43,065,632	-	(248,000,000)	-	-	-	-	(24,421,780)

Company	Total amount (in MMK)		Central Committee 1% on sales	Commercial Tax	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Permit/License Fee	Production Split - 25% of sales net of Tax	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Supervision Fees for Euro Sales	Royalties on Production - Raw Materials 20%, Added Value 10%
Kyaing International (GKI) Company	(9,309,603)		27,652	414,767	-	-	-	-	(9,752,023)	-	-	-	-
Kyauk Seinn Sun Shwin Jade, Gems & Jewellery Co., Ltd.	1,226,367,264		-	-	-	-	-	-	-	-	1,226,367,264	-	-
Kyauk Seinn Wingabar Jade, Gems & Jewellery Company	2,763,474		-	2,763,474	-	-	-	-	-	-	-	-	-
Kyaw Naing & Brothers Gems	11,083,790		-	-	8,555,168	-	2,528,621	-	-	-	-	-	-
Linn Lett Win Yadana Gems	11,277,471,759		-	(146,672,689)	150,926,269	18,899,807	1,094,789	-	11,253,223,583	-	-	-	-
Long Byit Jewellery Co., Ltd	88,095,357		-	-	-	-	-	-	-	88,095,357	-	-	-
MYA YAUNG TUN GEMS & JEWELLERY Company	(4,618,323)		26,087	391,290	-	-	-	-	-	-	-	-	(5,035,700)
Myanma Seinn Lei Aung (MSLA-S) Company	1,359,153,904		-	-	-	-	-	-	1,138,915,381	172,028,094	-	48,210,429	-
Myanmar Ruby interprise	245,647,722		-	-	-	-	-	-	-	-	245,647,722	-	-
Myanmar First Gems & Jewellery Company Limited	412,419		-	-	-	-	-	-	412,419	-	-	-	-
Myanmar Thura Company [MTY]	36,281,900		-	-	-	-	-	-	-	-	-	-	36,281,900
Myat Yamon Gems Company Limited	(30,429,116)		-	-	3,151,400	-	-	-	(33,580,516)	-	-	-	-
Myo Nwe Gems & Jewellery Company Limited	25,257,192		-	-	25,257,192	-	-	-	-	-	-	-	-
Nay La Pwint Company	30,229,860		-	-	-	-	-	-	-	-	-	-	30,229,860
New Jade International Company (NJ)	2,395,824,041		-	-	-	-	-	-	1,988,006,037	324,495,730	-	80,323,474	2,998,800
Oo Ya Gems	1,556,480		-	-	-	-	-	-	-	-	-	-	1,556,480
Pho Thar Htoo Gems Company [PTH]	1,038,217,044		-	-	-	-	-	-	1,038,217,044	-	-	-	-
Sein Thura San Company (GST)	630,119,355		-	-	-	-	-	-	528,377,049	80,393,729	-	21,348,577	-
Shining Star Light Gems & Jewellery Co., Ltd (Tauk Pa Thaw)	218,723,500		-	-	-	-	-	-	-	-	-	-	218,723,500
Shwe Gaung Gaung (SGG-S) Company	539,887,651		-	-	-	-	-	-	450,790,763	70,882,756	-	18,214,131	-

Company	Total amount (in MMK)		Central Committee 1% on sales	Commercial Tax	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Permit/License Fee	Production Split - 25% of sales net of Tax	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Supervision Fees for Euro Sales	Royalties on Production - Raw Materials 20%, Added Value 10%
Shwe Oak Khai Mining Company Limited	205,213,580		-	-	205,213,580	-	-	-	-	-	-	-	-
Shwe Pyi Thar Gems Trading and Faceting Co-op.,Ltd	26,560,016		-	3,639,532	-	-	-	-	18,359,355	2,883,350	-	741,778	936,000
SILVER ELEPHANT GEMS COMPANY LIMITED (Ngwe sin)	(2,175,204,233)		-	-	-	-	-	-	(2,274,896,953)	(612,285,171)	-	145,528,751	566,449,140
Super Same (SPS) Company	(2,140,290)		-	-	-	-	-	-	-	(2,140,290)	-	-	-
Tun Naing Aung Gems Co.,Ltd	15,866,300		-	-	-	-	-	-	-	-	-	-	15,866,300
UNITY GEMS CO.LTD.	1,536,381		57,139	857,051	-	-	-	-	622,190	-	-	-	-
WAI AUNG GABAR GEMS COMPANY LIMITED	367,565,616			37,660,925	-	-	-	-	-	-	-	329,904,691	-
Yadanar Taung Tann Gems Co.,Ltd.	302,883,908		612,313	9,184,315	-	-	-	-	-	-	-	-	293,087,280
Total Adjustments	21,514,469,164		794,497	(19,079,666)	413,977,825	(231,058,518)	5,709,388	(248,000,000)	15,011,569,243	124,791,564	2,990,067,710	684,560,771	2,781,136,350

Adjusted due to the other reasons

The adjustment was made due to the other reasons.

Company	Total amount (in MMK)		Central Committee 1% on sales	Commercial Tax	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Production Split - 25% of sales net of Tax	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Supervision Fees for Euro Sales	Withholding Tax
(1.1.1) Gems & Jewellery Co.,Ltd	(896,194,524)		-	(40,281,289)	-	-	-	-	-	(855,913,235)	-	-
Agga Yadanar Min Yarzar Jade Gems & Jewellery Co., Ltd.	(857,298,156)		-	(53,283,731)	-	-	-	-	-	(804,014,425)	-	-
Aung Aung Naing Naing Gems Co.,Ltd	(720,853,031)		-	(3,941,048)	-	-	-	-	-	(716,911,983)	-	-
Chang Long Gems & Jewellery Co.,Ltd.	595,458		37,218	558,240	-	-	-	-	-	-	-	-
Crystal Red Gems Co.,Ltd	13,516,970			11,074,961	2,442,009	-	-	-	-	-	-	-

Company	Total amount (in MMK)		Central Committee 1% on sales	Commercial Tax	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Production Split - 25% of sales net of Tax	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Supervision Fees for Euro Sales	Withholding Tax
Emerald Garden Co., Ltd.	-		-	-	-	-	-	-	-	-	-	-
Ever Winner Gems Company [EW]	-		-	-	-	-	-	-	-	-	-	-
Farmer Phyoayzar Gems Co., Ltd	(735,159,498)		-	(44,535,432)	-	-	-	-	-	(690,624,066)	-	-
Golden Grate Wall Gems Co.,Ltd	(14,846,630)		-	9,854	-	-	-	-	-	(14,856,484)	-	-
Great Genesis Gems (GMH) Company	(3,653,892,909)		-	(21,775,398)	-	-	-	-	-	(3,632,117,511)	-	-
Great Nine	(10,516,404)		-		-	-	-	-	-	(10,516,404)	-	-
Hawk Kyi Jewellery Company	(58,210)		-	(58,210)	-	-	-	-	-	-	-	-
Jade Mountain Gems Company	(20,573,879)		113,061	(89,846,463)	91,542,314	-	-	-	(22,382,791)	-	-	-
Jade Padathar Company	(89,042,460)		-	273,903	-	-	-	-	-	(89,316,363)	-	-
Jade Palace (Kyauk Seinn Nandaw Gems & Jewellery Co., Ltd.)	(39,617,609)		-	-	-	-	-	-	-	(39,617,609)	-	-
JADE TREASURE COMPANY LIMITED	(14,723,271)		-	(14,779,929)	-	-	56,658	-	-	-	-	-
Kachin Nationals Development@ Progress Gems Co.,Ltd	(535,041,750)		-	(50,509,230)	-	-	-	-	-	(484,532,520)	-	-
Kaung Myat Thukha Co., Ltd	346,599,019		141,176	(76,827,421)	-	-	-	421,167,717	-	-	-	2,117,547
Kaung Swan Htet Company	(910,848,034)		-	(46,669,395)	-	-	-	-	-	(864,178,639)	-	-
Khin Zaw Aung & Brothers Gems and Jewellery Company Limited	14,992,306		367,915	5,518,493	-	-	-	9,105,898	-	-	-	-
Khine Lon Company (KL)	(421,604,156)		-	(12,523,297)	-	-	-	-	-	(409,080,859)	-	-
Kyaing International (GKI) Company	(17,654,088)		-	(17,209,980)	-	-	-	-	-	-	(444,108)	-

Company	Total amount (in MMK)		Central Committee 1% on sales	Commercial Tax	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Production Split - 25% of sales net of Tax	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Supervision Fees for Euro Sales	Withholding Tax
Kyauk Seinn Sun Shwin Jade, Gems & Jewellery Co., Ltd.	(1,226,367,264)		-	-	-	-	-	-	-	(1,226,367,264)	-	-
Kyaw Naing & Brothers Gems	(270,321)		-	(270,321)	-	-	-	-	-	-	-	-
Linn Lett Win Yadanar Gems	-		-	-	-	-	-	-	-	-	-	-
Lyan Shan Company	(1,314,365,431)		-	(51,512,550)	-	-	-	-	-	(1,262,852,881)	-	-
Myanmar Ruby interprise	(157,024,049)		-	-	-	-	-	-	14,331,526	(171,355,575)	-	-
Myanmar First Gems & Jewellery Company Limited	(400,277,169)		-	(400,277,169)	-	-	-	-	-	-	-	-
MYANMAR SI-THU JEWELLERY CO;LTD	(291,063,319)		-	-	-	-	-	-	-	(291,063,319)	-	-
Myat Yamon Gems Company Limited	-		-	-	-	-	-	-	-	-	-	-
Myo Nwe Gems & Jewellery Company Limited	-		-	-	-	-	-	-	-	-	-	-
Nan Htike Pyae Paing Gems & Jewellery Company Limited	(321,345,014)		-	(165,199,507)	7,807,275	-	-	-	-	(163,952,782)	-	-
Nay La Pwint Company	(1,024,759)		-	(7,122,868)	-	-	-	-	-	6,098,110	-	-
Pang Huke Duwa Company{PHD}	(805,834,535)		-	-	-	-	-	-	-	(805,834,535)	-	-
Pho Thar Htoo Gems Company [PTH]	16,015,703		-	-	16,015,703	-	-	-	-	-	-	-
Phyo Thiha Kyaw Gems Co.,Ltd	8,153,987		-	-	8,153,987	-	-	-	-	-	-	-
Sein Lom Taung Tan Gems Company Limited	(111,998,404)		-	(76,625,449)	-	-	-	-	-	(35,372,955)	-	-
Sein Thura San Company (GST)	(443,059,060)		-	-	-	-	-	-	-	(443,059,060)	-	-

Company	Total amount (in MMK)		Central Committee 1% on sales	Commercial Tax	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Production Split - 25% of sales net of Tax	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Supervision Fees for Euro Sales	Withholding Tax
Shining Star Light Gems& Jewellery Co.,Ltd (Tauk Pa Thaw)	(31,475,632)		-	(30,936,174)	-	(539,458)	-	-	-	-	-	-
Shwe Oak Khai Mining Company Limited	25,376,631		-	42,865,201	-	-	-	-	-	(17,488,570)	-	-
Shwe Pyi Thar Gems Trading and Faceting Co-op.,Ltd	(2,886,532,335)		-	(2,886,532,335)	-	-	-	-	-	-	-	-
SILVER ELEPHANT GEMS COMPANY LIMITED (Ngwe sin)	(4,966,209,559)		-	-	-	-	-	-	-	(4,966,209,559)	-	-
Super Natural Gems & Jewellery Co., Ltd. (Natural Best)	(432,232,382)		-	92,781,262	-	-	-	-	-	(524,322,837)	(690,806)	-
Super Same (SPS) Company	(501,013,502)		-	(44,177,265)	-	-	-	-	-	(456,836,237)	-	-
THI RAW MANI GEMS & JEWELLERY COMPANY LIMITED	(1,589,088,924)		-	-	-	-	-	-	(119,261,317)	(1,469,827,607)	-	-
Treasure Star Company Limited (Yadanar Kyal)	(537,597,484)		154,784	(8,910,556)	-	-	-	-	-	(528,841,712)	-	-
Tun Naing Aung Gems Co.,Ltd	341,368		-	341,368	-	-	-	-	-	-	-	-
UNITY GEMS CO.LTD.	(1,206,256,330)		-	(62,948,764)	-	-	-	-	-	(1,143,307,566)	-	-
VALUE STANDARD GEMS & JEWELLERY CO., LTD	22,208,336		-	-	-	-	22,208,336	-	-	-	-	-
WAI AUNG GABAR GEMS COMPANY LIMITED	(1,877,011,093)		-	(16,688,959)	-	-	-	(2,613,979,933)	-	753,657,799	-	-
YADANAR SIN THIRI GEMS COMPANY LIMITED	6,554,015		16,348	245,208	6,296,715	-	270	-	-	-	(4,527)	-

Company	Total amount (in MMK)		Central Committee 1% on sales	Commercial Tax	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Production Split - 25% of sales net of Tax	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Supervision Fees for Euro Sales	Withholding Tax
Yadanar Taung Tann Gems Co.,Ltd.	16,533,119		-	-	-	-	-	16,533,119	-	-	-	-
Yadanar Three Elephant Company	18,051,535		-	(6,737,275)	-	-	-	-	-	24,788,810	-	-
Yar Za Htar Ni Gems Co., Ltd	215,110,445		802,613	12,038,683	-	-	211,208,417	(7,763,596)	-	-	(1,175,672)	-
Total Adjustments	(27,333,922,284)		1,633,115	(4,064,472,842)	132,258,003	(539,458)	233,473,681	(2,174,936,795)	(127,312,582)	(21,333,827,839)	(2,315,113)	2,117,547

Appendix 4.2. Adjustments for the Government Agencies

The following adjustments were made on the basis of confirmations with Extractive Companies and Government Agencies during reconciliation meetings and were supported by adequate supporting documents, such as tax challans, acknowledgement receipts, and detail statements, wherever deemed appropriate: The adjustments made are as follows:

Adjustments to Government Agency Receipts	Total amount (in MMK)
Receipts incorrectly reported by Government Agency	(8,309,556,212)
Receipts but Government Agency did not initially report	8,379,003,939
Receipts reported in different currencies	(10,625,719,763)
Receipts reported outside on FY 16 - 17	(96,589,305)
Receipts reported under wrong payment type	(8,895,800,225)
Adjusted due to other reasons	(63,804,910,257)
Total Adjustments	(83,353,571,823)

Receipts incorrectly reported by Government Agencies

The detail summary of adjustments below show the adjustments made due to the Government Agencies incorrectly reported tax payments. Accordingly, the payments reported were adjusted to reflect the correct payments made. The significant adjustments made for Farmer Phyoyarzar Gems Company is due to the company reported the Commercial Tax on Imported Capital incorrectly.

Company	Total amount (in MMK)	Commercial Tax	Commercial Tax - 5% (MMK)	Commercial Tax on Imported Capital Equipment	Custom Duties	Production Split - 25% of sales net of Tax	Royalties on Production - Raw Materials 20%, Added Value 10%	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Withholding tax - Resident
(1.1.1) Gems & Jewellery Co.,Ltd	(109,157,613)	-	-	(72,007,753)	(37,149,861)	-	-	-	-
Farmer Phyoyarzar Gems Co., Ltd	(4,346,113,323)	-	-	(3,614,887,336)	(731,225,988)	-	-	-	-
Jade Padathar Company	90,869,451	-	-	57,787,479	34,558,805	-	-	-	(1,476,833)
Lyan Shan Company	(79,765,326)	-	-	(14,262,752)	(65,502,574)	-	-	-	-
Myanmar Thura Company [MTY]	(296,420,618)	-	(2,873,812)	-	-	-	-	(293,546,807)	-
New Jade International Company (NJ)	(16,957,354)	(16,957,354)	-	-	-	-	-	-	-
Phyo Thiha Kyaw Gems Co.,Ltd	(8,153,987)	(8,153,987)	-	-	-	-	-	-	-
Shining Star Light Gems& Jewellery Co.,Ltd (Tawk Pa Thaw)	(3,135,282)	-	-	-	-	(3,135,282)	-	-	-
Shwe Byain Phyu (Gems) Company	(3,175,112,768)	-	-	-	(3,175,112,768)	-	-	-	-
Shwe Oak Khai Mining Company Limited	(354,215,247)	-	-	(354,215,247)	-	-	-	-	-
WAI AUNG GABAR GEMS COMPANY LIMITED	(45,290,200)	-	-	-	-	-	(45,290,200)	-	-
Zebu Thiri Gems Co.,Ltd	33,896,057	-	-	-	3,896,057	-	-	-	-
Total Adjustments	(8,309,556,212)	(25,111,341)	(2,873,812)	(3,997,585,609)	(3,940,536,328)	(3,135,282)	(45,290,200)	(293,546,807)	(1,476,833)

Receipts but Government Agency did not initially report

The following adjustments are due to the Government Agencies incorrectly reporting payment receipts. Accordingly, the payments reported were adjusted to reflect the correct payments made. The significant adjustments made for Wai Aung Gabar Gems Company Limited is due to the company reported the Specific Goods Tax incorrectly.

Company	Total amount (in MMK)	Capital Gains Tax	Commercial Tax	Commercial Tax - 5% (MMK)	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Royalties on Production - Raw Materials 20%, Added Value 10%	Specific Goods Tax	Specific Goods Tax - Rough Stones 20%, Jewellery 5%	Stamp Duties	Supervision Fees for Euro Sales
GREEN MOUNTAIN COMPANY LIMITED	(14,196,446)	-	-	(14,196,446)	-	-	-	-	-	-	-	-
Chang Long Gems & Jewellery Co.,Ltd.	4,797,749	-	-	-	2,711,771	-	2,085,978	-	-	-	-	-
Ever Winner Gems Company [EW]	63,356,302	16,182,108	259,333	-	-	46,914,861	-	-	-	-	-	-
Great Nine	1,019,500	-	-	-	-	-	-	1,019,500	-	-	-	-
Jade Padathar Company	25,131,433	-	-	-	-	25,131,433	-	-	-	-	-	-
Kaung Myat Thukha Co., Ltd	14,262,377	-	-	-	11,904,959	-	2,357,418	-	-	-	-	-
Kaung Su Aung Jade & Gmes Co., Ltd.	(240,642,331)	-	-	-	-	-	-	-	-	(240,642,331)	-	-
Kaung Su Wai Hlyan Gems Co.,Ltd	(124,698,299)	-	-	-	-	-	-	-	-	(124,698,299)	-	-
Kaung Swan Htet Company	297,781,200	-	-	-	-	-	-	297,781,200	-	-	-	-
Linn Lett Win Yadanar Gems	184,865,103	-	(6,960,536)	-	8,193,120	182,010,119	1,622,400	-	-	-	-	-
Myanmar Ruby interprise	(12,589,596)	-	-	(23,885,876)	-	-	-	11,296,280	-	-	-	-
Myanmar First Gems & Jewellery Company Limited	4,739,365	-	-	-	-	1,320,218	3,419,147	-	-	-	-	-
Myanmar Imperial Jade (Gems & Jewellery) Co., Ltd.	331,290,000	990,000	-	-	-	330,000,000	-	-	-	-	300,000	-
MYANMAR SI-THU JEWELLERY CO;LTD	(94,418)	-	-	-	-	-	-	-	-	-	-	(94,418)
New Jade International Company (NJ)	23,126,200	-	-	-	-	-	-	s23,126,200	-	-	-	-
Nilar Yoma Gems Co.,Ltd	194,764,201	-	-	-	-	-	-	-	194,764,201	-	-	-
Phyo Thiha Kyaw Gems Co.,Ltd	1,614,650	-	-	-	-	-	1,614,650	-	-	-	-	-
Shwe Gaung Gaung (SGG-S) Company	338,336,297	-	-	-	-	-	-	49,247,080	289,089,217	-	-	-
VALUE STANDARD GEMS & JEWELLERY CO., LTD	449,156,792	-	-	-	-	105,324,892	-	343,831,900	-	-	-	-
WAI AUNG GABAR GEMS COMPANY LIMITED	6,643,267,484	-	-	-	-	12,485,926	-	-	6,630,781,558	-	-	-

Company	Total amount (in MMK)	Capital Gains Tax	Commercial Tax	Commercial Tax - 5% (MMK)	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Royalties on Production - Raw Materials 20%, Added Value 10%	Specific Goods Tax	Specific Goods Tax - Rough Stones 20%, Jewellery 5%	Stamp Duties	Supervision Fees for Euro Sales
Yar Za Htar Ni Gems Co., Ltd	163,106,690	-	-	-	163,106,690	-	-	-	-	-	-	-
Zebu Thiri Gems Co.,Ltd	30,609,687	-	500,000	-	-	-	-	26,254,800	-	3,854,887	-	-
Total Adjustments	8,379,003,939	17,172,108	(6,201,203)	(23,885,876)	185,916,540	703,187,449	11,099,593	752,556,960	7,114,634,976	(361,485,744)	300,000	(94,418)

Receipts reported in different currencies

The following adjustments are due to the Government Agencies reporting payments that reported in different currencies.

Company	Total amount (in MMK)	Commercial Tax	Commercial Tax - 5% (MMK)	Production Split - 25% of sales net of Tax	Specific Goods Tax	Specific Goods Tax - Rough Stones 20%, Jewellery 5%
Ayeyar Yadanar Gems & Jewellery Co., Ltd.	(851,596,115)	(6,960,649)	-	-	(844,635,466)	-
Chang Long Gems & Jewellery Co.,Ltd.	(890,791,036)	-	(81,384,563)	-	-	(809,406,472)
KHUN PA-OH GEMS & JEWELLERY CO LTD.	(1,440,928,254)	-	(14,763,366)	-	-	1,426,164,888)
Kyauk Seinn Wingabar Jade, Gems & Jewellery Company	(479,477,027)	(2,868,400)	-	-	(476,608,627)	-
Linn Lett Win Yadanar Gems	(4,179,476)	-	-	(4,179,476)	-	-
Myanmar First Gems & Jewellery Company Limited	(32,483,231)	(32,483,231)	-	-	-	-
Oo Ya Gems	(1,075,949,442)	-	(58,013,973)	-	-	(1,017,935,469)
Pang Huke Duwa Company{PHD}	(807,811,459)	(1,976,924)	-	-	(805,834,535)	-
THI RAW MANI GEMS & JEWELLERY COMPANY LIMITED	(705,705,795)	(705,705,795)	-	-	-	-
Wai Family Gems Company Limited	(3,378,728,162)	-	-	-	-	(3,378,728,162)
YADANAR SIN THIRI GEMS COMPANY LIMITED	(721,440,240)	-	-	-	-	(721,440,240)
Yar Za Htar Ni Gems Co., Ltd	(236,629,527)	(236,629,527)	-	-	-	-
Total Adjustments	(10,625,719,763)	(986,624,526)	(154,161,902)	(4,179,476)	(2,127,078,628)	(7,353,675,231)

Receipts reported outside on FY 16 – 17

The following adjustments are due to the Government Agencies reporting payments that were not paid within FY 16 - 17.

Company	Total amount (in MMK)	Commercial Tax	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Specific Goods Tax
Myanmar Imperial Jade (Gems & Jewellery) Co., Ltd.	(130,988,372)	-	-	-	(130,988,372)
Myanmar Thura Company [MTY]	50,000,000	-	-	50,000,000	-
Myat Yamon Gems Company Limited	(2,592,189)	-	(2,592,189)	-	-
Shwe Gaung Gaung (SGG-S) Company	(3,379,292)	(3,379,292)	-	-	-
SILVER ELEPHANT GEMS COMPANY LIMITED (Ngwe sin)	(9,629,452)	(9,629,452)	-	-	-
Total Adjustments	(96,589,305)	(13,008,744)	(2,592,189)	50,000,000	(130,988,372)

Receipts reported under wrong payment type

The adjustment shown below that was initially reported under Production Split. Accordingly, the payment has been adjusted to the correct payment type under the application fees.

	Total amount (in MMK)	Commercial Tax	Commercial Tax - 5% (MMK)	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Royalties on Production - Raw Materials 20%, Added Value 10%	Specific Goods Tax	Specific Goods Tax - Rough Stones 20%, Jewellery 5%	Withholding tax - Resident
Aung Aung Naing Naing Gems Co.,Ltd	(307,345,031)	(3,941,048)	-	-	-	-	-	(303,403,983)	-	-
Ayeyar Yadanar Gems & Jewellery Co., Ltd.	(844,635,466)	-	-	-	-	-	-	-	(844,635,466)	-
Ba Wa Tet Lan	(321,665,427)	(1,313,241)	-	-	-	-	-	(320,352,186)	-	-
Ever Winner Gems Company [EW]	(1,000,127)	-	-	-	-	-	-	-	-	(1,000,127)
Great Genesis Gems (GMH) Company	7,836,497	7,836,497	-	-	-	-	-	-	-	-
GREEN MOUNTAIN COMPANY LIMITED	(39,610,106)	(39,610,106)	-	-	-	-	-	-	-	-
Kaung Myat Thukha Co., Ltd	(461,177,535)	-	-	-	-	-	-	(461,177,535)	-	-
MYANMAR SI-THU JEWELLERY CO.,LTD	(36,623,273)	-	(36,623,273)	-	-	-	-	-	-	-
Myat Myitta Mon GEMS	(2,432,266,182)	(1,763,997,321)	-	-	(668,268,861)	-	-	-	-	-
Myo Nwe Gems & Jewellery Company Limited	(41,226,830)	-	(41,226,830)	-	-	-	-	-	-	-
Nilar Yoma Gems Co.,Ltd	(2,121,052,663)	-	-	(1,755,117,992)	-	(365,934,672)	-	-	-	-
Pho Thar Htoo Gems Company [PTH]	(980,236,816)	-	-	-	-	-	-	-	(980,236,816)	-
Ruby Dragon Jade & Gems Co.,Ltd.	8,600,000	-	-	-	-	-	8,600,000	-	-	-
VALUE STANDARD GEMS & JEWELLERY CO., LTD	(870,030,383)	-	-	-	-	-	-	(870,030,383)	-	-
Wai Family Gems Company Limited	(6,450,234)	(6,450,234)	-	-	-	-	-	-	-	-

	Total amount (in MMK)		Commercial Tax	Commercial Tax - 5% (MMK)	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Royalties on Production - Raw Materials 20%, Added Value 10%	Specific Goods Tax	Specific Goods Tax - Rough Stones 20%, Jewellery 5%	Withholding tax - Resident
Yadanar Taung Tann Gems Co.,Ltd.	(448,916,648)		(448,916,648)	-	-	-	-	-	-	-	-
Total Adjustments	(8,895,800,225)		(2,256,392,101)	(77,850,104)	(1,755,117,992)	(668,268,861)	(365,934,672)	8,600,000	(1,954,964,087)	(1,824,872,282)	(1,000,127)

Adjusted due to other reasons

The adjustment was made due to the other reasons.

Company	Total amount (in MMK)		Central Committee 1% on sales	Commercial Tax	Commercial Tax - 5% (MMK)	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Royalties on Production - Raw Materials 20%, Added Value 10%	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Specific Goods Tax - Rough Stones 20%, Jewellery 5%
(1.1.1) Gems & Jewellery Co.,Ltd	(896,194,524)		-	-	(40,281,289)	-	-	-	-	-	-	(855,913,235)
Aung Aung Naing Naing Gems Co.,Ltd	(720,853,031)		-	-	(3,941,048)	-	-	-	-	-	-	(716,911,983)
Ayar Jade Company	(2,948,670,138)		-	-	(74,366,960)	-	-	-	-	-	-	(2,874,303,178)
Ayeyar Yadanar Gems & Jewellery Co., Ltd.	(6,960,649)		-	-	(6,960,649)	-	-	-	-	-	-	-
Chaow Brothers (GCB) (Venture)	(302,504,451)		-	-	(20,331,155)	-	-	-	-	-	-	(282,173,297)
Crystal Red Gems Co.,Ltd	(497,130,456)		-	(16,382,256)	-	-	-	-	-	-	(480,748,200)	-
Emerald Garden Co., Ltd.	(15,278,800)		-	-	-	-	-	-	(15,278,800)	-	-	-
Ever Winner Gems Company [EW]	(14,638,544)		-	-	-	(6,254,729)	-	(8,383,815)	-	-	-	-
Farmer Phyoarzar Gems Co., Ltd	(734,197,858)		-	-	(43,573,791)	-	-	-	-	-	-	(690,624,066)
Golden Grate Wall Gems Co.,Ltd	(508,049,478)		-	-	(314,680)	-	-	-	-	-	-	(507,734,798)
Great Genesis Gems (GMH) Company	(871,605,388)		-	-	(19,960,913)	-	-	-	-	-	2,780,473,036	(3,632,117,511)
Great Nine	(10,516,404)		-	-	-	-	-	-	-	-	-	(10,516,404)
GREEN MOUNTAIN COMPANY LIMITED	(1,123,356,489)		-	-	-	-	-	-	-	-	(1,123,356,489)	-
Hawk Kyi Jewellery Company	(623,459,299)		-	-	(80,234,777)	-	-	-	-	-	-	(543,224,522)
Jade Mountain Gems Company	(1,188,079,409)		-	(91,542,313)	(29,325,932)	-	-	-	-	-	-	(1,067,211,164)

Company	Total amount (in MMK)		Central Committee 1% on sales	Commercial Tax	Commercial Tax - 5% (MMK)	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Royalties on Production - Raw Materials 20%, Added Value 10%	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Specific Goods Tax - Rough Stones 20%, Jewellery 5%
Jade New Gems & Jewellery Co., Ltd.	(9,752,900)		-	-	-	-	-	-	(9,752,900)	-	-	-
Jade Padathar Company	(373,617,705)		-	(32,518,045)	-	-	-	-	-	-	(341,099,660)	-
JADE TREASURE COMPANY LIMITED	(524,122,163)		-	(14,599,538)	(1,349,139)	-	-	-	-	-	(508,173,486)	-
Kachin Nationals Development@ Progress Gems Co.,Ltd	(533,174,693)		-	-	(48,642,173)	-	-	-	-	-	-	(484,532,520)
Kaung Myat Thukha Co., Ltd	(26,647,277)		-	(26,647,277)	-	-	-	-	-	-	-	-
Kaung Su Wai Hlyan Gems Co.,Ltd	(4,135,163)		-	-	(4,135,163)	-	-	-	-	-	-	-
Kaung Swan Htet Company	(906,493,836)		-	-	(46,669,395)	-	-	-	-	-	-	(859,824,441)
Khine Lon Company (KL)	(421,374,962)		-	-	(12,523,297)	-	-	-	-	-	-	(408,851,666)
Kyaing International (GKI) Company	(1,986,839,544)		-	-	(11,302,345)	-	-	-	-	-	-	(1,975,537,199)
Kyaw Naing & Brothers Gems	(4,594,418)		-	-	(4,594,418)	-	-	-	-	-	-	-
Linn Lett Win Yadanar Gems	(1,361,295,019)		-	-	-	-	-	-	-	(168,868)	(1,361,126,151)	-
Long Byit Jewellery Co.,Ltd	(489,428,441)		-	-	-	-	-	-	-	-	-	(489,428,441)
Lyan Shan Company	(1,310,799,312)		-	-	(47,946,432)	-	-	-	-	-	-	(1,262,852,881)
MYA YAUNG TUN GEMS & JEWELLERY Company	(60,218,448)		-	(11,616,421)	-	-	-	-	-	-	(48,602,027)	-
Myanma Seinn Lei Aung (MSLA-S) Company	(991,180,711)		-	(11,399,807)	-	-	-	-	-	-	(979,780,904)	-
Myanmar Ruby interprise	(171,355,575)		-	-	-	-	-	-	-	-	(171,355,575)	-
Myanmar Economic Cooperation	3,318,050		-	-	-	-	-	-	3,318,050	-	-	-
Myanmar First Gems & Jewellery Company Limited	(32,483,369)		-	-	(32,483,369)	-	-	-	-	-	-	-
Myanmar Imperial Jade (Gems & Jewellery) Co., Ltd.	(3,697,806,441)		-	-	(199,382,503)	-	-	-	-	-	-	(3,498,423,938)
MYANMAR SI-THU JEWELLERY CO;LTD	(291,063,319)		-	-	-	-	-	-	-	-	-	(291,063,319)

Company	Total amount (in MMK)		Central Committee 1% on sales	Commercial Tax	Commercial Tax - 5% (MMK)	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Royalties on Production - Raw Materials 20%, Added Value 10%	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Specific Goods Tax - Rough Stones 20%, Jewellery 5%
Myanmar Thura Company [MTY]	(1,630,848,205)		-	-	-	-	-	-	-	-	-	(1,630,848,205)
Myat Yamon Gems Company Limited	(515,667)		-	-	-	-	-	(515,667)	-	-	-	-
Nan Htike Pyae Paing Gems & Jewellery Company Limited	274,510,891		-	-	-	164,221,199	64,085,160	46,204,533	-	-	-	-
Nay La Pwint Company	(275,294,426)		-	-	(7,122,868)	-	-	-	-	-	-	(268,171,558)
New Jade International Company (NJ)	(1,818,170,789)		-	-	(18,223,959)	-	-	-	-	-	-	(1,799,946,830)
Nilar Yoma Gems Co.,Ltd	(62,418,660)		-	-	-	-	-	-	-	-	-	(62,418,660)
Pang Huke Duwa Company{PHD}	(807,748,870)		-	-	(1,914,335)	-	-	-	-	-	-	(805,834,535)
Pho Thar Htoo Gems Company [PTH]	(26,569,874)		-	-	(26,569,874)	-	-	-	-	-	-	-
Phyo Pyae Sone	(447,381,293)		-	-	(2,363,129)	-	-	-	-	-	-	(445,018,164)
Phyo Thiha Kyaw Gems Co.,Ltd	(384,455,815)		-	-	(5,113,578)	8,153,987	-	-	-	-	-	(387,496,224)
Ruby Dragon Jade & Gems Co.,Ltd.	(265,780,448)		-	-	(32,826,719)	-	-	-	-	79,931	-	(233,033,660)
Sein Lom Taung Tan Gems Company Limited	(111,998,404)		-	(76,625,449)	-	-	-	-	-	-	(35,372,955)	-
Sein Thura San Company (GST)	(479,328,742)		-	-	(36,269,683)	-	-	-	-	-	-	(443,059,060)
Shining Star Light Gems& Jewellery Co.,Ltd (Tauf Pa Thaw)	156,597,584		-	-	(30,936,174)	-	259,039,988	-	-	-	(71,506,230)	-
Shwe Byain Phyu (Gems) Company	(14,898,213,310)		-	-	-	(14,898,213,310)	-	-	-	-	-	-
Shwe Gaung Gaung (SGG-S) Company	(440,837,281)		-	-	(49,981,897)	-	-	-	-	-	-	(390,855,384)
Shwe Oak Khai Mining Company Limited	(1,061,670,067)		-	-	(42,525,742)	-	-	(52,346,453)	-	-	-	(966,797,872)
SILVER ELEPHANT GEMS COMPANY LIMITED (Ngwe sin)	(53,364,972)		-	-	(53,364,972)	-	-	-	-	-	-	-
Super Same (SPS) Company	(495,913,978)		-	(44,624,682)	-	-	-	-	-	-	(451,289,295)	-
THI RAW MANI GEMS &	(1,494,799,263)		-	-	(34,340,406)	-	-	-	-	-	-	(1,460,458,857)

Company	Total amount (in MMK)		Central Committee 1% on sales	Commercial Tax	Commercial Tax - 5% (MMK)	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties	Royalties on Production - Raw Materials 20%, Added Value 10%	Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	Specific Goods Tax	Specific Goods Tax - Rough Stones 20%, Jewellery 5%
JEWELLERY COMPANY LIMITED												
Treasure Star Company Limited (Yadanar Kyal)	(547,527,892)		154,784	-	(11,803,462)	-	-	-	-	-	-	(535,879,214)
Tun Naing Aung Gems Co.,Ltd	(58,577,212)		-	-	(58,577,212)	-	-	-	-	-	-	-
UNITY GEMS CO.LTD.	(1,206,256,330)		-	-	(62,948,764)	-	-	-	-	-	-	(1,143,307,566)
VALUE STANDARD GEMS & JEWELLERY CO., LTD	(33,882,468)		-	(33,882,468)	-	-	-	-	-	-	-	-
WAI AUNG GABAR GEMS COMPANY LIMITED	(7,226,862,445)		-	-	(237,876,183)	-	-	-	-	-	-	(6,988,986,261)
Yadanar Three Elephant Company	(4,497,618,629)		-	(36,879,508)	-	-	-	-	-	-	-	(4,460,739,121)
Yar Za Htar Ni Gems Co., Ltd	(2,255,423,527)		-	-	-	-	-	48,030,418	-	-	(2,303,453,945)	-
Total Adjustments	(63,804,910,257)		154,784	(396,717,763)	(1,441,078,385)	(14,732,092,853)	323,125,148	32,989,016	(21,713,650)	(88,937)	(5,095,391,881)	(42,474,095,736)

Appendix 5: Adjustments to Minerals sector

Appendix 5.1: Adjustments to Mining Sub-Sector

Appendix 5.1.1. Adjustments for the Extractive Companies

The following adjustments were made on the basis of confirmations with Extractive Companies and Government Agencies during reconciliation meetings and were supported by adequate supporting documents, such as tax challans, acknowledgement receipts, and detail statements, wherever deemed appropriate:

Adjustments to Extractive Company Payments	Total amount (in MMK)
Payments incorrectly reported by Company	28,636,420
Payments reported in different currencies	329,515,918
Payments reported outside of FY 16 - 17	(911,815,855)
Payments reported under wrong payment type	1,802,771,580
Payments paid but Companies did not initially report	2,176,293,994
Adjusted due to other reasons	16,050,848,515
Total Adjustments	19,476,250,572

Payments incorrectly reported by Company

The detail summary of adjustments below show the adjustments made due to the Extractive Companies incorrectly reporting tax payments. Accordingly, the payments reported were adjusted to reflect the correct tax payments made. The adjustment of MMK 4,568,400 and MMK 1,485,000 made for Top Ten Star Production Co., Ltd and Wuntho Resources Co., Ltd was due to the company incorrectly inputted the figure. The adjustment of MMK 10,804,540,070 was made for Myanmar Economic Corporation and MMK 4,814,678,859 for Myanmar Economic Holding Ltd.,

Company	Total amount (in MMK)		Dead Rent Fees	Royalties	Stamp Duties
Manadalay Golden Friend Mining Co., Ltd.	7,580,000		-	7580000	-
Mandalay Distribution and Mining Co., Ltd.	15,003,020		-	15003020	-
Top Ten Star Production Co., Ltd.	4,568,400		4,568,400	-	-
Wuntho Resources Co., Ltd	1,485,000		-	-	1,485,000
Total Adjustments	28,636,420		4,568,400	22,583,020	1,485,000

Payments reported in different currencies

The adjustment below is due to Top Ten Star Production Ltd reporting the Production Split payment in USD, whereas the Miing Enterprise reported the payment received in MMK. Accordingly, the payment was adjusted to reflect the MMK amount on the supporting documents.

Company	Total amount (in MMK)		Production Split	Royalties
Top Ten Star Production Co.,Ltd.	331,086,488		331,086,488	-
Win Myint Mo Industries Co.,Ltd.	(1,570,570)		-	(1,570,570)
Total Adjustments	329,515,918		331,086,488	(1,570,570)

Payments reported outside of FY 16 – 17

The following adjustments are due to the Extractive Companies reporting payments that were not paid within FY 16 - 17. The significant adjustment on MMK (943,455,908) is due to Cornerstone Resources (Myanmar) Ltd reporting a payments made for FY16-17.

Company	Total amount (in MMK)		Commercial Tax on Imports on Inventories	Land Rental Fee	Production Split	Rental Fee	Royalties
Cornerstone Resources (Myanmar) Ltd.	(943,455,908)		-	-	(855,282,459)	-	(88,173,449)
First Resources Co.,Ltd	149,934,850		-	-	-	160,000,000	(10,065,150)
Htoo International Industrial Group Co., Ltd.	19,481,000		-	-	19,481,000	-	-
Max Myanmar Co., Group.	(8,137,500)		-	(8,137,500)	-	-	-
NO.(1) HEAVY INDUSTRY	(477,600)		-	(477,600)	-	-	-
Shwe Taung Mining Co., Ltd.	(93,255,897)		(93,255,897)	-	-	-	-
Tun Thwin Mining Co., Ltd	(35,904,800)		-	(35,904,800)	-	-	-
Total Adjustments	(911,815,855)		(93,255,897)	(44,519,900)	(835,801,459)	160,000,000	(98,238,599)

Tax reported under wrong payment type

The adjustment shown below are the payment that was initially reported under the different payment type. Accordingly, the payment has been adjusted to the correct payment type

Company	Total amount (in MMK)		Commercial Tax	Corporate Income Tax	Dead Rent Fees	Environmental/ Plantation Fee	Land Rental Fee	License Fees	Production Split	Purchase of Minerals from ME-1	Royalties	Withholding tax - Resident
Manadalay Golden Friend Mining Co., Ltd.	2,603,250		-	-	-	-	2,603,250	-	-	-	-	-
Mandalay Distribution and Mining Co., Ltd.	(2,000,000)		(2,000,000)	-	-	(3,000,000)	3,000,000	-	-	-	-	-
Myanmar Economic Corporation	(6,220,575)		-	-	-	-	-	-	-	-	(6,220,575)	-
Myanmar Golden PointFamily	(524,175)		(224,175)	-	(4,000)	(300,000)	-	4,000	-	-	-	-
Myanmar Yang Tse Copper Ltd.	2,205,602,237		2,205,602,237	-	-	-	-	-	-	-	-	-
Ngwe Yi Pale Mining Co., Ltd	(2,265,660)		-	-	(2,263,660)	-	-	(2,000)	-	-	-	-
NO.(1) HEAVY INDUSTRY	79,600		-	-	79,600	-	-	-	-	-	-	-
PYAE SONE AUNG CHAN	-		-	(2,400,000)	-	-	-	-	-	-	-	2,400,000
Sai Long Hein Mining Co., Ltd.	495,285		7,664,615	-	-	-	-	-	-	-	-	-7169330
Shwe Taung Mining Co., Ltd.	(2,499,982)		-	(2,500,000)	-	-	-	-	18	-	-	-
Tun Thwin Mining Co., Ltd	(18,400)		-	-	(18,400)	-	-	-	-	-	-	-
Win Myint Mo Industries Co.,Ltd.	(392,480,000)		-	-	-	-	-	-	-	(392,480,000)	-	-
Wuntho Resources Co., Ltd	-		-	-	(60,242,000)	-	60,240,000	2,000	-	-	-	-
Total Adjustments	1,802,771,580		2,211,042,677	(4,900,000)	(62,448,460)	(3,300,000)	65,843,250	4,000	18	(392,480,000)	(6,220,575)	(4,769,330)

Payments paid but Companies did not initially report

The adjustment shown below are the payment that was not initially reported. Accordingly, the payment has been adjusted after supporting with documents.

Company	Total amount (in MMK)		Application Fees	Capital Gains Tax	Commercial Tax	Commercial Tax on Imported Capital equipment, goods and services	Corporate Income Tax	Custom Duties	Dead Rent Fees	Land Rental Fee	License Fees	Other Fees (Penalty/ Rental machineries)	Others	Production Split	Royalties	Withholdin g tax - Non- Resident
Cornerstone Resources (Myanmar) Ltd.	101,808,061		-	-	101,808,061	-	-	-	-	-	-	-	-	-	-	-
Eternal Mining Co., Ltd.	116,905,906		-	-	-	75,750,721	-	41,155,185	-	-	-	-	-	-	-	-
First Resources Co., Ltd.	260,818,737		-	-	-	111,934,195	-	22,165,186	-	-	-	-	120,087	126,599,269	-	-
Htoo International Industrial Group Co., Ltd.	274,570,000		-	-	-	-	-	-	218,265,000	48,525,000	-	-	-	-	7,780,000	-
Kan Baw Za Industrial Co., Ltd.	752,255,842		-	217,752,600	534,034,477	468,765	-	-	-	-	-	-	-	-	-	-
KayahIncountry MetalMining	99,335,700		-	-	-	-	-	-	85,290,000	-	-	14,045,700	-	-	-	-
Manadalay Golden Friend Mining Co., Ltd.	2,989,600		-	-	-	-	-	-	2,986,600	-	3,000	-	-	-	-	-
Mandalay Distribution and Mining Co., Ltd.	52,284,600		-	-	-	-	-	-	52,277,600	-	7,000	-	-	-	-	-
Max Myanmar Co., Group.	279,266,726		5,000,000	-	265,410,434	-	-	-	7,504,000	-	4,000	-	-	1,222,292	126,000	-
Myanmar Golden PointFamily	117,847,620		-	-	-	68,022,730	-	39,624,890	-	-	-	10,200,000	-	-	-	-
Myanmar Wanbo Copper Mining Co., Ltd.	4,000		-	-	-	-	-	-	-	-	4,000	-	-	-	-	-
Ngwe Yi Pale Mining Co., Ltd	59,785,236		3,000,000	-	-	-	-	-	-	-	-	-	-	56,785,236	-	-
NO (1) HEAVY INDUSTRY	295,315		-	-	-	-	-	-	-	-	-	-	-	-	295,315	-
PYAE SONE AUNG CHAN	5,400,000		-	-	5,400,000	-	-	-	-	-	-	-	-	-	-	-
Sai Long Hein Mining Co., Ltd.	1,622,068		1,500,000	-	-	-	120,468	-	400,600	-	(399,000)	-	-	-	-	-
Shwe Taung Mining Co., Ltd.	2,500,000		-	-	-	-	-	-	-	-	-	-	-	-	-	2,500,000
Than Taw Myat Co., Ltd.	4,409,400		-	-	-	-	-	-	-	4,409,400	-	-	-	-	-	-
Top Ten Star Production Co., Ltd.	42,195,184		4,525,000	-	-	-	-	-	-	-	4,000	-	-	-	37,666,184	-
Wuntho Resources Co., Ltd	2,000,000		-	-	1,000,000	-	1,000,000	-	-	-	-	-	-	-	-	-
Total Adjustments	2,176,293,994		14,025,000	217,752,600	907,652,972	256,176,411	1,120,468	102,945,261	366,723,800	52,934,400	(377,000)	24,245,700	120,087	184,606,797	45,867,499	2,500,000

Adjusted due to other reasons

The adjustment was made due to the other reasons.

Company	Total amount (in MMK)		Application Fees	Capital Gains Tax	Commercial Tax	Commercial Tax on Imported Capital equipment, goods and services	Corporate Income Tax	Custom Duties	Dead Rent Fees	Licens e Fees	Production Split	Royalties	Sale (Mill Tailing)	Specific Goods Tax	Withholdin g tax - Non- Resident	Withholding tax - Resident
First Resources Co.,Ltd	44,330,375		-	-	-	-	44,330,375	-	-	-	-	-	-	-	-	-
Good Brother's Machinery Co., Ltd MACHINE	989,492,253		-	-	4,726,800	314,264,624	535,543,905	134,956,924	-	-	-	-	-	-	-	-
Kan Baw Za Industrial Co., Ltd.	(17,257,095)		-	-	-	-	-	92,825	(5,196,800)	-	(11,017,320)	(1,135,800)	-	-	-	-
Manadalay Golden Friend Mining Co., Ltd.	24,270,000		-	-	-	-	-	-	-	-	24,270,000	-	-	-	-	-
Mandalay Distribution and Mining Co., Ltd.	(162,198,870)		(10,000,000)	-	-	-	-	-	-	-	(152,198,870)	-	-	-	-	-
Myanmar Economic Corporation	10,804,540,070		-	-	7,106,973,148	-	3,000,000,000	-	-	-	-	-	-	-	-	697,566,922
Myanmar Economic Holding Ltd.,	4,814,678,859		4,500,000	3,542,149	3,543,117,436	-	(2,444,654,744)	-	11,980,121	3,000	429,954,296	72,715,736	-	1,810,194,450	8,568,600	1,374,757,815
Myanmar Wanbo Copper Mining Co., Ltd.	(519,933,680)		-	-	-	(309,272,336)	-	(210,661,343)	-	-	-	-	-	-	-	-
Myanmar Yang Tse Copper Ltd.	2,000		-	-	-	-	-	-	-	2,000	-	-	-	-	-	-
Ngwe Kabar Myanmar Co., Ltd	23,310,300		-	-	-	-	-	-	23,310,300	-	-	-	-	-	-	-
Ngwe Yi Pale Mining Co., Ltd	(7,809,608)		-	-	-	-	-	-	-	-	-	(7,809,608)	-	-	-	-
Sai Long Hein Mining Co., Ltd.	212,551,625		-	-	-	-	-	-	-	-	192,686,986	19,864,639	-	-	-	-
Than Taw Myat Co., Ltd	(617,742,260)		-	-	(617,742,260)	-	-	-	-	-	-	-	-	-	-	-
Thi Ha Thant Hein Mining Co., Ltd.	(27,118,117)		-	-	-	-	-	-	(20,384,117)	-	170,520,000	(177,254,000)	-	-	-	-
Tun Thwin Mining Co., Ltd	52,008,567		-	-	-	59,779,018	-	16,583,011	-	-	(19,558,202)	(4,795,260)	-	-	-	-
Win Myint Mo Industries Co.,Ltd.	437,724,096		-	-	-	28,589,828	-	16,654,268	-	-	-	-	392,480,000	-	-	-
Total Adjustments	16,050,848,515		(5,500,000)	3,542,149	10,037,075,124	93,361,134	1,135,219,536	(42,374,316)	9,709,504	5,000	634,656,890	(98,414,293)	392,480,000	1,810,194,450	8,568,600	2,072,324,737

Appendix 5.1.2. Adjustments for the Government Agencies

The following adjustments were made on the basis of confirmations with Extractive Companies and Government Agencies during reconciliation meetings and were supported by adequate supporting documents, such as tax challans, acknowledgement receipts, and detail statements, wherever deemed appropriate:

Adjustments to Government Agency Receipts	Total amount (in MMK)
Received but Government Agency did not initially report	651,993,778
Receipts reported outside on FY 16 - 17	(3,673,843)
Receipts reported under wrong payment type	-
Adjusted due to other reasons	(15,679,616,885)
Total Adjustments	(15,031,296,950)

Received but Government Agency did not initially report

The adjustment shown below are the payment that was not initially reported. Accordingly, the payment has been adjusted after supporting with documents.

Company	Total amount (in MMK)	Commercial Tax	Commercial Tax on Imported Capital equipment, goods and services	Corporate Income Tax	Custom Duties	Dead Rent Fees	Production Split	Royalties	Stamp Duties
Eternal Mining Co., Ltd.	17,862,163	17,862,163	-	-	-	-	-	-	-
Htoo International Industrial Group Co., Ltd.	20,071,456	20,071,456	-	-	-	-	-	-	-
Kan Baw Za Industrial Co., Ltd.	98,761,081	-	83,938,699	-	14,822,383	-	-	-	-
Mandalay Distribution and Mining Co., Ltd.	41,571,650	11,075,810	-	-	-	25,335,000	-	5,160,840	-
Max Myanmar Co., Group.	349,011,623	349,011,623	-	-	-	-	-	-	-
Myanmar Golden Point Family	8,950,000	8,950,000	-	-	-	-	-	-	-
Ngwe Yi Pale Mining Co., Ltd.	82,541,300	62,060,347	-	20,480,953	-	-	-	-	-
Sai Long Hein Mining Co., Ltd.	15,609,950	-	-	-	-	-	15,609,950	-	-
Shwe Taung Mining Co., Ltd.	2,500,000	-	-	2,500,000	-	-	-	-	-
Top Ten Star Production Co., Ltd.	12,534,750	-	9,780,185	-	2,754,565	-	-	-	-
Wuntho Resources Co., Ltd.	632,805	-	-	-	-	-	-	-	632,805
YCDC	1,947,000	-	-	-	-	-	873,000	-	1,074,000
Total Adjustments	651,993,778	469,031,399	93,718,884	22,980,953	17,576,948	25,335,000	16,482,950	5,160,840	1,706,805

Receipts reported outside on FY 16 - 17

The following adjustments are due to the Government Agencies reporting payments that were not paid within FY 16 - 17.

Company	Commercial Tax
Shwe Taung Mining Co., Ltd.	(3,673,843)
Total Adjustments	(3,673,843)

Receipts reported under wrong payment type

The adjustment shown below for Max Myanmar Co., Group that was initially reported under Production Split. Accordingly, the payment has been adjusted to the correct payment type under the application fees.

Company	Total amount (in MMK)	Application Fees	Production Split
Max Myanmar Co., Group.	-	(349,200)	349,200
Total Adjustments	-	(349,200)	349,200

Adjusted due to other reasons

The adjustment was made due to the other reasons.

Company	Total amount (in MMK)	Application Fees	Commercial Tax	Commercial Tax on Imported Capital equipment, goods and services	Corporate Income Tax	Custom Duties	Others	Rental Fee	Royalties	Withholding tax - Non-Resident	Withholding tax - Resident
Cornerstone Resources (Myanmar) Ltd.	73,807,616	-	-	57,677,271	-	16,130,344	-	-	-	-	-
First Resources Co., Ltd	25,320,820	-	(55,000,512)	-	44,330,375	1,452	(10,495)	36,000,000	-	-	-
Good Brother's Machinery Co., Ltd	(305,985,200)	-	(305,985,200)	-	-	-	-	-	-	-	-
MOGE	(7,133,932,269)	-	-	(4,700,608,410)	-	(2,433,323,859)	-	-	-	-	-
Myanmar Economic Holding Ltd.,	(147,083,618)	4,500,000	-	-	-	-	-	-	-	(8,568,600)	(143,015,018)
Myanmar Wanbo Copper Mining Co., Ltd.	(1,258,941,380)	-	-	-	-	-	-	-	(1,258,941,380)	-	-
Myanmar Yang Tse Copper Ltd.	(4,739,084,284)	-	-	-	-	-	-	-	(4,739,084,284)	-	-
NO.(1) HEAVY INDUSTRY	(3,614,827,650)	-	(58,243,753)	-	(3,556,583,897)	-	-	-	-	-	-
Sai Long Hein Mining Co., Ltd.	7,762,118	-	-	6,479,124	-	1,282,994	-	-	-	-	-
Than Taw Myat Co., Ltd	1,413,346,962	-	1,413,346,962	-	-	-	-	-	-	-	-
Total Adjustments	(15,679,616,885)	4,500,000	994,117,497	(4,636,452,015)	(3,512,253,522)	(2,415,909,069)	(10,495)	36,000,000	(5,998,025,663)	(8,568,600)	(143,015,018)

Appendix 5.2: Adjustments to Pearls Sector

Appendix 5.2.1. Adjustments for the Extractive Companies

The following adjustments were made on the basis of confirmations with Extractive Companies and Government Agencies during reconciliation meetings and were supported by adequate supporting documents, such as tax challans, acknowledgement receipts, and detail statements, wherever deemed appropriate:

Adjustments to Extractive Company Payments	Total amount in MMK
Payments incorrectly reported by Company	(19,143,086)
Payments reported outside of FY 16 - 17	20,000,000
Payments reported under wrong payment type	17,488,000
Payments paid but Companies did not initially report	(17,248,000)
Other adjustments	(5,995,443)
Total Adjustments	(4,898,529)

Payments incorrectly reported by Company

The detail summary of adjustments below show the adjustments made due to the Extractive Companies incorrectly reporting tax payments. Accordingly, the payments reported were adjusted to reflect the correct tax payments made.

Company	Corporate Income Tax
Myanmar Andman Co., Ltd	(19,143,086)
Total Adjustments	(19,143,086)

Payments reported outside of FY 16 – 17

The following adjustments are due to the Extractive Companies reporting payments that were not paid within FY 16 - 17. The significant adjustment on MMK 20,000,000 is due to Niino Pearl Culturing Co., Ltd reporting a payments made for FY16-17.

Company	Corporate Income Tax
Niino Pearl Culturing Co., Ltd	20,000,000
Total Adjustments	20,000,000

Payments reported under wrong payment type

The adjustment shown below are the payment that was initially reported under the different payment type. Accordingly, the payment has been adjusted to the correct payment type

Company	Royalties (Seeding Tax - for local companies only)
Annawar Pearl Company Limited	17,488,000
Total Adjustments	17,488,000

Payments paid but Companies did not initially report

The adjustment shown below are the payment that was not initially reported. Accordingly, the payment has been adjusted after supporting with documents.

Company	Other Fees
Annawar Pearl Company Limited	(17,368,000)
Orient Pearl Co., Ltd (Zinyaw)	120,000
Total Adjustments	(17,248,000)

Adjusted due to other reasons

The adjustment was made due to the other reasons.

Company	Total amount (in MMK)		Commercial Tax	Corporate Income Tax
Myanmar Andman Co., Ltd	(2,995,443)		(2,995,443)	-
Orient Pearl Co., Ltd (Zinyaw)	(3,000,000)		-	(3,000,000)
Total Adjustments	(5,995,443)		(2,995,443)	(3,000,000)

Appendix 5.2.2. Adjustments for the Government Agencies

The following adjustments were made on the basis of confirmations with Extractive Companies and Government Agencies during reconciliation meetings and were supported by adequate supporting documents, such as tax challans, acknowledgement receipts, and detail statements, wherever deemed appropriate:

Adjustments to Government Agency Payments	Amount in MMK
Receipts incorrectly reported by Government Agency	448,453,800
Receipts but Government Agency did not initially report	798,135,004
Total Adjustments	1,246,588,804

Receipts incorrectly reported by Government Agency

The detail summary of adjustments below show the adjustments made due to the Government Agencies incorrectly reporting the payments. Accordingly, the payments reported were adjusted to reflect the correct payment made.

Company	Royalties (Seeding Tax - for local companies only)
Orient Pearl Co., Ltd (Zinyaw)	448,453,800
Total Adjustments	448,453,800

Received but Government Agency did not initially report

The adjustment shown below are the payment that was not initially reported. Accordingly, the payment has been adjusted after supporting with documents.

Company	Total amount (in MMK)		Commercial Tax	Commercial Tax on Imported Capital Equipment	Corporate Income Tax	Custom Duties
Myanmar Tasaki Co., Ltd	617,772,851			19,345,198	574,456,379	23,971,274
Niino Pearl Culturing Co., Ltd	71,151,741		-	-	71,151,741	-
Orient Pearl Co., Ltd (Zinyaw)	109,210,412		502,040	-	108,708,372	-
Total Adjustments	798,135,004		502,040	19,345,198	754,316,492	23,971,274

Appendix 6 Production and Export Detail

Refer to separate attachment.

Appendix 7 Reporting Templates

Refer to separate attachment.

Appendix 8 SOEs Reconciliation Sheets

Refer to separate attachment.

Appendix 9 Payment Flows Description

a. Taxation

No	Payment Flows	Definition
Direct taxes		
1	Corporate Income Tax	<p>Myanmar resident companies are taxed on a worldwide basis while non-resident companies are taxed only on income derived from sources within Myanmar.</p> <p>Corporate tax rates are 25% for resident companies and non-resident foreign organisations such as a branch of a foreign company. However, for companies listed on the Yangon Stock Exchange (YSE), the corporate tax rate is 20%.</p> <p>For newly established small and medium sized industrial enterprises, income tax is exempted up to the total annual net taxable income of MMK10 million during the initial three years, including the year of commencement. Income tax shall be assessed on income earned in excess of this amount.</p>
2	Personal Income Tax	<p>The taxation income depends on the individual's residential status in Myanmar. Under the ITL, resident nationals and resident foreigners are taxed on all income derived from sources within and outside Myanmar. Non-resident foreigners are taxed only on income derived from sources within Myanmar.</p> <p>A person is a resident in Myanmar if the individual is "domiciled in" or has a "principal place of abode" in Myanmar. A non-resident Myanmar national refers to those who live and earn income from employment outside Myanmar for any period of the year.</p> <p>Foreigners who reside in Myanmar for at least 183 days during an income year are considered resident foreigners.</p> <p>The personal tax rates vary depending on the type of taxpayer and income. Taxable income includes of employment income and non-employment income.</p> <p>Taxable employment income is broad and includes salary, wages, annuity, any fees, and commissions received in lieu of or in addition to any salary and wages. There are allowances and allowable deductions for resident nationals or resident foreigners for costs related to employment income. A non-resident foreigner will not be entitled to claim those deductions. Taxable non-employment income includes of business income (e.g. income from moveable properties, royalties and interest), income from a professions from the rendering of a service with one's skill for fees, and includes services rendered by doctors, nurses, lawyers, engineers, architects, accountants, auditors, and teachers, capital gains from the sale of capital assets, and other income</p>

		from investments, except dividends received from an association of persons in Myanmar which are exempted from income tax.
3	Capital Gains Tax	<p>Capital gains tax is levied on gains from the sale, exchange or transfer of capital assets. Capital gains means any profit from the sale or exchange of any capital asset (any land, building, vehicle and any capital assets of an enterprise, which include shares, bonds and similar instruments).</p> <p>Capital gains tax rate is 10% for resident and non-resident companies, except for the sale, exchange or transfer of capital assets for companies engaged in upstream oil and gas activities (i.e. exploration, drilling and extraction), where the capital gains rates ranging from 40% to 50% will apply.</p>
4	Withholding Tax	<p>Withholding tax is applicable where any person or company making certain payments is required to withhold income tax at the time of payment at the respective rates according to the type of payments made. The tax withheld is to be paid to the IRD within seven days from the date of withholding.</p> <p>Such payments include of interest payments, royalties for the use of licences, trademarks, patent rights, payments by Union level organisations, Union Ministries, Naypyitaw Council, Regional or State Government, State-owned enterprises, Municipal organisations for purchase of goods, work performed and supply of services within the country under a tender or auction or quotation or contractor agreement, and payments by the businesses which are performed in the form of joint venture with the government, the Partnership, joint venture, company, association of individuals, organisation or association which are registered and formed under any existing law, cooperative society and foreign companies, foreigner owned enterprises for purchase of goods, work performed and supply of services within the country under a contract or agreement or any other modes.</p>
Indirect taxes		

5	Commercial Tax	<p>Commercial tax is levied as a turnover tax on goods and services. The commercial tax is an additional tax upon certain commercial transactions and applies only to the specific transactions listed in the Commercial Tax Law.</p> <p>The tax is imposed on a wide range of goods and services produced or rendered within the country, based on the sales proceeds. The tax is also levied on imported goods, based on the landed cost, which is the sum of the cost, insurance and freight value and customs duties. Collection of these taxes is made at the point of entry and the time of clearance. Commercial tax is zero-rated on all exports, except electricity (8%) and crude oil (5%). Commercial tax ranges from 0% to 8%, depending on the nature of the goods and services described in the schedules appended to the Commercial Tax Law. Generally, the commercial tax rate is 5%.</p> <p>Companies which have obtained permits from the MIC and SEZ Committee may also, be granted exemption from commercial tax on the importation of certain goods during certain periods and goods that are manufactured for export.</p> <p>No commercial tax is imposed if the sale or receipts from services for a financial year are not more than MMK50 million (approx. USD32k).</p>
6	Specific Goods Tax	Specific goods tax is imposed on the list of specific goods, including cigarettes, tobacco leaves, virgina leaf, cheroots, cigars, pipe tobacco, beers, wine, alcoholic beverages, gems stones, teak, vans, saloons, sedans and estate wagons and coupe cars above 1,500 cc (except double cab 4 door pick up), petroleum, gasoline, diesel and jet fuel as well as natural gas. The rates are ranging from 5% to 80%, where the higher rates applies to liquor and tobacco products.
7	Custom duty	Custom duty is levied at rates ranging from 0% to 40%.
Other taxes		
8	Stamp duty	Stamp duty is levied under the Myanmar Stamp Act 1891 on various types of instruments.

b. Oil and Gas

Payment flows in kind

No	Payment Flow Type	Definition
Payments to Myanmar Oil and Gas Enterprise (MOGE)		
1	Royalties	The Contractor must pay a royalty in cash or in kind, at the option of the government. Royalty is agreed at a certain percentage of the value of available petroleum from the contract area, adjusted by deducting an amount equal to the cost of transportation from the delivery point to the usual point of export if payment is in cash else adjustment is not necessary as available petroleum is to be delivered at delivery point. Royalty is not recoverable from the cost petroleum.

Payment flows in cash

No	Payment Flow Type	Definition
Payments to MOGE		
1	Signature bonus	Bonus paid upon conclusion of a Production Sharing Contracts (PSC). The amount of the Signature Bonus is specified in the PSC. The contractor must pay a negotiated signature bonus within 20 days after signing the contract.
2	Royalties – % of the value of available petroleum	Royalty is agreed at a certain percentage of the value of available petroleum from the contract area, adjusted by deducting an amount equal to the cost of transportation from the delivery point to the usual point of export if payment is in cash else adjustment is not necessary as available petroleum is to be delivered at delivery point.
3	Production Split	Profit petroleum, available petroleum not taken for payment of royalty of or cost recovery (cost petroleum), is to be allocated as per terms in the Contract.
4	State Participation	MOGE's entitlement on the Profit Oil/Gas and Cost Oil/Gas of the Oil and Gas produced. MOGE is entitled to 15% undivided interest has the option to extend up to 25% at its own discretion.
5	Production Bonus	Bonus paid to MOGE in proportion to the quantities of hydrocarbons produced. The amount of the Production Bonus is specified in the Contract.

No	Payment Flow Type	Definition
6	Commerciality Bonus	Contractor must pay a negotiated commerciality bonus within 30 days after commencement of production period.
7	Cash Call	Contractor shall recover all petroleum costs up to and out of a maximum of 40 to 60% per quarter of all available petroleum from the contract area, provided that costs in respect of any development and production area shall be recovered only from petroleum produced from such development and production area and costs of exploration shall be recoverable from available petroleum produced from any development and production area. Excess unrecoverable costs and expenses shall be carried forward for recovery in the next succeeding quarter until fully recovered.
8	Data Fee	Data fee is levied only on offshore blocks. It is payable within 30 days after the signature of the PSC.
Training/Research Development Fund		
9	Training Fund	A training contribution is payable annually by Oil and Gas companies. Different annual payments apply during the exploration and production periods. The payments to the training fund are not transferred to MOGE, they are held by the extractive companies
10	Research and Development Fund	Contractors should pay an annual contribution to a Research and Development (R&D) Fund from the start of production. This contribution is equal to 0.5% of contractor's share of profit production.
State Contribution and Union Fund Account (OA) Transfer		
11	State Contribution	20% of MOGE's profit that is transferred to the Treasury Department.
12	Transfer to UFA (OA)	55% of MOGE's profit that is agreed to be retained in the MOGE Union Fund Account (Other Account).
Contribution to State/Region Development Fund and Corporate Social Responsibility		
13	Contribution to the state/region social development fund	The annual contribution made by the Oil and Gas companies to the state/region social development fund.

No	Payment Flow Type	Definition
14	Mandatory Corporate Social Responsibility	These flows relate to mandatory social payments made by extractive companies in the development of local communities under agreements and contracts or commitments to communities and local councils. These include payments made by extractive companies to finance health infrastructure projects, schools, roads, truck farming and those supporting the actions of local communities, compensation other than those granted in return for direct compensations.
15	Voluntary Corporate Social Responsibility	These flows relate to voluntary social payments made by extractive companies in the development of local communities under agreements and contracts or commitments to communities and local councils. These include payments made by extractive companies to finance health infrastructure projects, schools, roads, truck farming and those supporting the actions of local communities, compensation other than those granted in return for direct compensations.

c. Oil and Gas transportation

Payment flows in kind

No	Payment Flow Type	Definition
Payments to MOGE		
1	Profit Sharing	MOGE's share of the Oil and Gas transported via the pipeline.
2	Right of Way	Right of way fees are paid to MOGE by the companies which operate the pipeline.

d. Mining sector payments

Payment flows in kind

No	Payment Flow Type	Definition
Payments to Department of Mines (DOM)		
No.1 Mining Enterprise (ME1)		
No.2 Mining Enterprise (ME2)		
1	Royalties	Royalties are paid by a mining license holder to SOEs on the sales value of all products extracted. Royalties for mining projects are payable on: - Precious metallic minerals from 5% to 7.5% - Iron, copper, zinc, lead, etc. from 3% to 4% - Gold, silver, platinum from 4% to 5%
2	Production Split	Production is shared between the parties. The percentages payable to the SOE and to each partner are mentioned in the PSC. The Department of Mines (DOM)'s share can be increased if production increases.
3	License Fee	Fees payable by an applicant of mining rights to be granted a mining license or permit.
4	Application Fee	Fees payable by an applicant for a mining right.
5	Other Fees (Penalty/Rental of Machineries)	Other fees paid by mining companies that include penalties and rental of machineries.
6	State Contribution	20% of profit that is transferred to the Treasury Department.
7	Other Allocation	55% of profit that is approved to be retained in the ME1/ME2 Union Fund Account (Other Account).
Payments to Department of Mines (DOM)		
Myanmar Gems Enterprise (MGE)		
8	Royalties on production – Raw materials (20%), Added Value (10%)	Royalties are paid by a mining license holder to MGE on the Gems and Jade sales value of all production extracted.
9	Sale Split (*) 25% of sales net of Tax	It is the share of the State on the revenues of Gems and Jade sales, net of tax, made in the annual emporium.

No	Payment Flow Type	Definition
10	Service Fee Euro Sales - Raw Materials 3%, Added Value 1%	Fees payable for sales in EURO currency.
11	Supervision Fee for Euro Sales	Fees payable for the supervision of sales in EURO currency.
12	Commercial Tax (5%)	MGE collects 5% Commercial Tax in MMK from Gems and Jade companies and transfers it to IRD.
13	Specific Goods Tax – Rough stones (20%), Jewellery (5%)	Specific Goods Tax
14	Permit/License Fee	Permit fees are payable by the holders of Gems and Jade rights.
15	Penalty Fees	Penalty fees on cancellation of sales
Payments to Department of Mines (DOM) Myanmar Pearl Enterprise (MPE)		
16	Royalties (Seeding Tax)	Local Pearl companies shall pay MMK2,000 per nucleus insertion into an oyster.
17	License Fee (Foreign – USD100,000, and Local – MMK10,000,000)	Fees payable by an applicant of mining rights to be granted a pearl license.
18	Other Fees	Other fees include of penalty fees that are to be paid to MPE.
Payments to Forest Department - Ministry of Environmental Conservation and Forestry		
19	Land Fee	Land Rent also called “Dead Rent” is payable on mineral prospecting and exploration stages. The amount of the land rent is specified by the mining agreement.
20	Environmental/ Plantation fees	Environmental/ Plantation fees is payable by mining companies when they obtain their mining licenses.
State Contribution and Union Fund Account (OA) Transfer		
21	State Contribution	20% of profit that is transferred to the Treasury Department.
22	Transfer to UFA (OA)	55% of profit that is agreed to be retained in the MGE Union Fund Account (Other Account).
Contribution to State/Region Development Fund and Corporate Social Responsibility		
23	Contribution to the State/region social development fund	The annual contribution made by companies to the State/region social development fund.

No	Payment Flow Type	Definition
24	Mandatory Corporate Social Responsibility	These flows relate to mandatory social payments made by extractive companies in the development of local communities under agreements and contracts or commitments to communities and local councils. These include payments made by extractive companies to finance health infrastructure projects, schools, roads, truck farming and those supporting the actions of local communities, compensation other than those granted in return for direct compensations.
25	Voluntary Corporate Social Responsibility	These flows relate to voluntary social payments made by extractive companies in the development of local communities under agreements and contracts or commitments to communities and local councils. These include payments made by extractive companies to finance health infrastructure projects, schools, roads, truck farming and those supporting the actions of local communities, compensation other than those granted in return for direct compensations.

e. Other Payments

No	Payment Flows	Definition
Direct taxes		
1	Social Security Contribution	<p>The Social Security Act 2012 requires an employer with more than five workers to provide Social Security Scheme benefits to his workers, such as general benefit insurance and insurance against employment-related injuries.</p> <p>The rates of contribution by employees and employers are 2% and 3% of the total salary and wages respectively. However, at present, the maximum monthly contribution is limited to MMK9,000 (approx. USD6) by the employer and MMK6,000 (approx. USD4) by the employee.</p>

Appendix 10 Detail of Licences

Refer to separate attachment.

Appendix 11 Detailed Breakdown of Taxes Assumed by MOGE

Company	USD	Kyats
Stat Oil	192,238	263,535,504
PTTEP	473,523	649,143,745
Eni Myanmar B.V. (Myanmar Branch)	182,116	249,659,182
PTTEP	450,594	618,618,961
SEAOP	12,149,901	16,680,550,277
SEAGP	8,134,030	11,167,176,825
TOTAL	1,690,210	2,320,482,521
PTTEP	334,533	459,278,592
Total	23,607,145	32,408,445,607

Appendix 12 Standard Terms and Conditions of Oil and Gas contracts

Standard Terms and Conditions of Oil and Gas contracts

Performance Compensation Contract – PCC Onshore Block

Sr. No.		Particulars	Standard Terms and Conditions of Performance Compensation Contract for Onshore Block(Mann Oil Field)					
1	Contract Area	MANN OIL FIELD						
2	Type of Contract	Performance Compensation Contract (PCC)						
3	Total Contract Term	(9) years						
4	Terms of Contract	(1) Field Management Plan Period (2) Mobilization Period (3) Production Enhancement Operation Period						
5	Data Study Fee	US\$ 50,000						
6	Signature Bonus	Contractor shall not be obligated to pay any annual bonus, rental, minimum payment or signing bonus.						
7	Royalty	-						
8	Cost Recovery	Maximum 40% of all Incremental Petroleum.						
9	Production Split (Profit Petroleum Allocation)	<div>Incremental Crude Oil</div> <table><tr><td>MOGE(%)</td><td>CONT. (%)</td></tr><tr><td>65</td><td>35</td></tr></table>			MOGE(%)	CONT. (%)	65	35
MOGE(%)	CONT. (%)							
65	35							
10	Exploration & Development Bonus	Contractor shall not be obligated to pay any annual bonus, rental, minimum payment or signing bonus						
11	Production Bonus	Contractor shall not be obligated to pay any annual bonus, rental, minimum payment or signing bonus						
12	Domestic Crude Oil Requirement	-						
13	State Participation	-						
14	Training Fund	-						
15	R & D Fund							
16	Income Tax	Myanmar Income Tax Law						
17	Governing Law	Laws of the Union of Myanmar.						
18	Arbitration	Myanmar Courts of Law						
19	Sharing of profit made from o transfer of the shares in Company formed under Section 16.2(p) of the IPR Contract	-						

Performance Compensation Contract – IPR Onshore Block

Sr.No.	Particulars	Standard Terms and Conditions of Improved Petroleum Recovery Contract for Onshore Blocks			
1,	Contract Area				
2,	Area of Block				
3,	Type of Contract	Improved Petroleum Recovery Contract (IPR)			
4,	Preparation Period	- 6 months (after the signing of the Contract) - Contractor shall conduct Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) and shall submit the final report including executive summary and mitigation plan to MOGE for MIC approval. Min. Expenditure =US\$			
		{ Contractor shall enter into Exploration Period after approval of MIC on EIA / SIA reports}			
5,	Data FeeUS\$ (Payment within 30 days after approval from MIC on EIA / SIA.)			
6,	Initial Joint Study Period	Initial Joint Study Period - 6 Months (Existing Petroleum Production for the whole field will be determined by both parties base on the declines curve.) Min. Expenditure =US\$			
7,	Signature BonusUS\$ (Payment within 30 days after the commencement of the Pilot Project Period)			
8,	Pilot Project Period (Minimum Work Commitment and Expenditure)	<div> <div> <div>Year 1 -</div> <div>Year 2 -</div> <div>Year 3 -</div> <div>Total</div> </div> <div> <div>FDP will be based on the outcome of Initial Joint Study</div> <div>Period between MOGE and Contractor.</div> </div> </div> Pilot Project Period (3 years)			Min. Expenditure US\$ US\$ US\$ =US\$
		{Contractor will have the option to back-off}			
		Extension (2 year x 1 time) Year 4 - Year 5 -	WorkProgram	Total	Min. Expenditure US\$ US\$ =US\$
9,	Production Period	15 years from the date of commercial declaration on incremental petroleum production (or) until the expiration of Contract Term.			
10,	Royalty	12.5% of all Incremental Petroleum.			
11,	Cost Recovery	Maximum 40% of all Incremental Petroleum.			
12,	Profit Petroleum	Incremental Crude Oil			
	Allocation	BOPD	MOGE(%)	CONT(%)	
		0 - 5,000	60	40	
		5,001 - 10,000	70	30	
		10,001 - 20,000	75	25	
		20,001 - 30,000	80	20	
		> 30,000	85	15	
		Incremental Natural Gas			

		MMCFD	MOGE(%)	CONT(%)		
		All	60	40		
13,	Commerciality BonusUS\$ (Payment within 30 days after the commencement of the Production Period)				
14,	Production Bonus	<p>Incremental Crude Oil</p> <p>2,000 BOPD (for 60 consecutive days production) 5,000 BOPD (for 60 consecutive days production) 10,000 BOPD (for 60 consecutive days production) 20,000 BOPD (for 60 consecutive days production) 30,000 BOPD (for 60 consecutive days production)</p> <p>Incremental Natural Gas</p> <p>15 MMCFD (for 60 consecutive days production) 30 MMCFD (for 60 consecutive days production) 60 MMCFD (for 60 consecutive days production) 150 MMCFD (for 60 consecutive days production)</p>				
		<p>= 0.20 MMUS\$</p> <p>= 0.50 MMUS\$</p> <p>= 1.00 MMUS\$</p> <p>= 2.00 MMUS\$</p> <p>= 3.00 MMUS\$</p>				
		<p>= 0.50 MMUS\$</p> <p>= 1.00 MMUS\$</p> <p>= 1.50 MMUS\$</p> <p>= 2.00 MMUS\$</p>				
15,	Domestic Requirement	10% of Crude Oil and 15% of Natural Gas of CONTRACTOR's share of profit petroleum at 75% of Fair Market Prices.				
16,	Training Fund	<p>Initial Joint Study Period = 10,000 US\$</p> <p>Pilot Project Period = 50,000 US\$ per Year</p> <p>Production Period = 50,000 US\$ per Year</p> <p>If any average daily gross production rate exceeds 30,000 BOPD, Production Period = 100,000 US\$ per Year</p>				
17,	Research and Development Fund	0.5% of CONTRACTOR's share of Profit Petroleum.				
18,	State Participation.	15 % undivided interest.				
19,	Income Tax	According to the "Myanmar Income Tax Law"				
20,	Governing Law	Laws of the Republic of the Union of Myanmar.				
21,	Arbitration	Myanmar Arbitration Act, 1944.				
22.	Sharing of Profits made from the sale or transfer of the shares in the Company formed under the contract	<p>If the Company formed under the provisions of the Contract sell or transfer its shares of the Company and if a Profit is being made, CONTRACTOR is liable to pay to the Union Government of the Republic of the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer of the shares of the Company, registered under the Contract:-</p> <p>- If the amount of Net Profit is up to 100 MMUS\$ 40%</p> <p>- If the amount of Net Profit is between 100 MMUS\$ and 150 MMUS\$ 45%</p> <p>- If the amount of Net Profit is over 150 MMUS\$ 50%</p>				
23.	EITI	MOGE and CONTRACTOR shall collaborate to implement the Extractive Industries Transparency Initiative.				

Performance Compensation Contract – PSC Onshore Block

Sr.No.	Particulars	Standard Terms and Conditions of Production Sharing Contract for Onshore Blocks				
1,	Contract Area					
2,	Area of Block					
3,	Type of Contract	Production Sharing Contract (PSC)				
4,	Preparation Period	- 6 months (after the signing of the Contract) - Contractor shall conduct Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) and shall submit the final report including executive summary and mitigation plan to MOGE for MIC approval. Min. Expenditure =US\$ { Contractor shall enter into Exploration Period after approval of MIC on EIA / SIA reports }				
5,	Signature BonusUS\$ (Payment within 30 days after approval from MIC on EIA / SIA.)				
6,	Exploration Period (Minimum Work Commitment and Expenditure)	<div> <div> - 3 years Min. Expenditure US\$ US\$ US\$ Total US\$ </div> <div> {Contractor will have the option to back-off} 1st Extension (2 year x 1 time) Year 4 - prospect evaluation Year 5 - To drill 1 (one) well Total Min. Expenditure US\$ US\$ US\$ </div> <div> {Contractor will have the option to back-off} 2nd Extension (1 year x 1 time) Year 6 - To drill one (1) appraisal well Min. Expenditure US\$ </div> </div>				
7,	Production Period	20 years from the date of completion of development in accordance with Development Plan (or) according to Petroleum (Crude Oil / Natural Gas) Sales Agreement, whichever is longer.				
8,	Royalty	12.5% of all Available Petroleum.				
9,	Cost Recovery	Maximum 50% of all Available Petroleum.				
10,	Profit Petroleum Allocation	Crude Oil				
		BOPD	MOGE(%)	CONT(%)		
		0 - 10,000	60	40		
		10,001 - 20,000	65	35		
		20,001 - 50,000	70	30		
		50,001 - 100,000	80	20		
		100,001 - 150,000	85	15		
		> 150,000	90	10		
		Natural Gas				
		MMCFD	MOGE(%)	CONT(%)		
		up to 60	60	40		

		61 - 120	65	35		
		121 - 300	70	30		
		301 - 600	80	20		
		601 - 900	85	15		
		above 900	90	10		
11,	Production Bonus	<p>Crude Oil</p> <p>Upon approval of Development Plan</p> <p>10,000 BOPD (for 90 consecutive days production) 20,000 BOPD (for 90 consecutive days production) 50,000 BOPD (for 90 consecutive days production) 100,000 BOPD (for 90 consecutive days production) 150,000 BOPD (for 90 consecutive days production)</p>				<p>= 0.50 MMUS\$</p> <p>= 1.50 MMUS\$</p> <p>= 2.00 MMUS\$</p> <p>= 3.00 MMUS\$</p> <p>= 4.00 MMUS\$</p> <p>= 6.00 MMUS\$</p>
12,	Domestic Requirement	20% of Crude Oil and 25% of Natural Gas of CONTRACTOR's share of profit petroleum at 90% of Fair Market Prices.				
13,	Training Fund	<p>Exploration Period = 25,000 US\$ per Year.</p> <p>Production Period = 50,000 US\$ per Year.</p>				
14,	Research and Development Fund	0.5% of CONTRACTOR's share of Profit Petroleum.				
15,	State Participation.	15 % undivided interest and MOGE has the option to extend up to 25% at its own discretion.				
16,	Income Tax	25% on CONTRACTOR's Net Profit. (5 years Tax Holiday starting from the Production.)				
17,	Governing Law	Laws of the Republic of the Union of Myanmar.				
18,	Arbitration	Myanmar Arbitration Act, 1944.				
19,	Sharing of Profits made from the sale or transfer of the shares in the Company formed under the contract	<p>If the Company formed under the provisions of the Contract sell or transfer its shares of the Company and if a Profit is being made, CONTRACTOR is liable to pay to the Union Government of the Republic of the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer of the shares of the Company, registered under the Contract:-</p> <ul style="list-style-type: none"> - If the amount of Net Profit is up to 100 MMUS\$ 40% - If the amount of Net Profit is between 100 MMUS\$ and 150 MMUS\$ 45% - If the amount of Net Profit is over 150 MMUS\$ 50% 				
20,	EITI	MOGE and CONTRACTOR shall collaborate to implement the Extractive Industries Transparency Initiative.				

Performance Compensation Contract – Onshore Block Deep

Sr.No.		Particulars		Standard Terms and Conditions of Production Sharing Contract for Deep Water Offshore Blocks	
1,	Contract Area				
2,	Area of Block				
3,	Water Depth				
4,	Type of Contract	Production Sharing Contract (PSC)			
5,	Preparation Period (EIA/SIA/EMP)	- 6 months (after the signing of the Contract) - Contractor shall conduct Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) and shall submit the final report including executive summary and mitigation plan to MOGE for MIC approval. Min. Expenditure =US\$			
		{Contractor shall enter into the Study Period after approval of MIC on EIA / SIA reports}			
6,	Data Fee	US\$ (if data is available) (Payment within 30 days after commencement of the Study Period)			
7,	Study Period (TEA Period)	- 2 years - G&G Study and Seismic Acquisition, Processing, Interpretation		Min. Expenditure US\$	
		{Contractor will have the option to back-off after 2 years Study Period}			
8,	Signature Bonus US\$ (Payment within 30 days after entering into the Exploration Period.)			
9,	Exploration Period (Minimum Work Commitment and Expenditure)	- 3 years Year 1 - Seismic Acquisition, Processing, Interpretation Year 2 - drill minimum 1 (one) well Year 3 - post- well evaluation & to drill 1 (one) well (or) to drill 2 (two) wells during Year 1 to 3		Total	Min. Expenditure US\$ US\$ US\$ US\$
		{Contractor will have the option to back-off after 3 years Exploration Period}			
		<u>1st Extension Period (2 years)</u> Year 4 - prospect evaluation Year 5 - To drill 1 (one) well		Total	Min. Expenditure US\$ US\$ US\$
		{Contractor will have the option to back-off after 2 years 1st Extension Period}			
		<u>2nd Extension Period (1 year)</u> Year 6 - To drill 1 (one) well			Min. Expenditure US\$
		{Contractor may enter into Production Period upon commercial discovery}			
10,	Production Period	20 years from the date of completion of development in accordance with Development Plan (or) according to Petroleum (Crude Oil / Natural Gas) Sales Agreement, whichever is longer.			
11,	Royalty	12.5% of Available Petroleum.			
12,	Cost Recovery	Water Depth,	less than or equal to 2000 feet more than 2,000 feet	70%	60%

13,	Profit Split (Profit Petroleum Allocation)	<u>Crude Oil</u>			
		<u>Water Depth</u>	<u>2000 feet or less</u>		<u>more than 2,000 feet</u>
		<u>BOPD</u>	<u>MOGE(%)</u>	<u>CONT. (%)</u>	<u>MOGE(%)</u> <u>CONT. (%)</u>
		0 - 25,000	60	40	55 45
		25,001 - 50,000	65	35	60 40
		50,001 -100,000	75	25	65 35
		100,001 - 150,000	80	20	75 25
		above 150,000	85	15	80 20
		<u>Natural Gas</u>			
		<u>Water Depth</u>	<u>2000 feet or less</u>		<u>more than 2,000 feet</u>
		<u>MMCFD</u>	<u>MOGE(%)</u>	<u>CONT. (%)</u>	<u>MOGE(%)</u> <u>CONT. (%)</u>
		0 - 300	60	40	55 45
		301 - 600	70	30	65 35
		601 - 900	80	20	75 25
		above 900	90	10	80 20
14,	Production Bonus	<u>Crude Oil</u> Upon approval of Development Plan = 1.00 MMUS\$ 25,000 BOPD (for 90 consecutive days production) = 2.00 MMUS\$ 50,000 BOPD (for 90 consecutive days production) = 3.00 MMUS\$ 100,000 BOPD (for 90 consecutive days production) = 4.00 MMUS\$ 150,000 BOPD (for 90 consecutive days production) = 5.00 MMUS\$ 200,000 BOPD (for 90 consecutive days production) = 10.00 MMUS\$ <u>Natural Gas</u> Upon approval of Development Plan = 1.00 MMUS\$ 150 MMCFD (for 90 consecutive days production) = 2.00 MMUS\$ 300 MMCFD (for 90 consecutive days production) = 3.00 MMUS\$ 600 MMCFD (for 90 consecutive days production) = 4.00 MMUS\$ 750 MMCFD (for 90 consecutive days production) = 5.00 MMUS\$ 900 MMCFD (for 90 consecutive days production) = 10.00 MMUS\$			
15,	Domestic Requirement	20% of Crude Oil and 25% of Natural Gas of CONTRACTOR's share at 90% of Fair Market Values.			
16,	Training Fund	Exploration Period = 50,000 US\$ per Year. Production Period = 100,000 US\$ per Year.			
17,	Research and Development Fund	0.5% of CONTRACTOR's share of Profit Petroleum.			
18,	State Participation	Undivided Interest up to 20% after Commercial Discovery and up to 25% if the reserves is greater than 5 TCF Barrel Oil Equivalent.			
19,	Income Tax	25% on CONTRACTOR's Net Profit. (5 years Tax Holiday starting from the Production.)			
20,	Governing Law	Laws of the Republic of the Union of Myanmar.			
21,	Arbitration	UNCITRAL Arbitration Rules.			
22,	Sharing of Profits made from the sale or transfer of the shares in the Company formed under the contract	If the Company formed under the provisions of the Contract sell or transfer its Shares of the Company and if a Profit is being made, CONTRACTOR is liable to pay to the Government of the Republic of the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer of the shares of the Company, registered under the Contract:- - If the amount of Net Profit is up to 100 MMUS\$ 40% - If the amount of Net Profit is between 100 MMUS\$ and 150 MMUS\$ 45% - If the amount of Net Profit is over 150 MMUS\$ 50%			

23,	EITI	MOGE and CONTRACTOR shall collaborate to implement the Extractive Industries Transparency Initiative.
24,	CSR	Contractor shall expedite the Corporate Social Responsibility (CSR) in the Contract Area as well as for the people of Myanmar in consultation with MOGE according to the Contractor's code of conduct.

Performance Compensation Contract – PSC Onshore Block shallow

Sr.No.	Particulars	Standard Terms and Conditions of Production Sharing Contract for Shallow Water Offshore Blocks		
1,	Contract Area			
2,	Area of Block			
3,	Water Depth			
4,	Type of Contract	Production Sharing Contract (PSC)		
5,	Preparation Period (EIA/SIA/EMP)	- 6 months (after the signing of the Contract) - Contractor shall conduct Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) and shall submit the final report including executive summary and mitigation plan to MOGE for MIC approval. Min. Expenditure =US\$ {Contractor shall enter into the Study Period after approval of MIC on EIA / SIA reports}		
6,	Data Fee	US\$(Payment within 30 days after commencement of the Study Period)		
7,	Study Period	- 6 ~ 12 months - Study of existing G&G data and reprocessing if required	Min. Expenditure US\$	
		{Contractor will have the option to back-off after 6 ~ 12 months Study Period}		
8,	Signature Bonus	US\$(Payment within 30 days after entering into the Exploration Period.)		
9,	Exploration Period (Minimum Work Commitment and Expenditure)	- 3 years Year 1 - Seismic Acquisition, Processing, Interpretation Year 2 - drill minimum 1 (one) well Year 3 - post- well evaluation & to drill 1 (one) well <i>(or) to drill minimum 2 (two) wells during Year 1 to 3</i>	Total	Min. Expenditure US\$ US\$ US\$ US\$
		{Contractor will have the option to back-off after 3 years Exploration Period}		
		1st Extension Period (2 years) Year 4 - prospect evaluation Year 5 - To drill 1 (one) well	Total	Min. Expenditure US\$ US\$ US\$
		{Contractor will have the option to back-off after 2 years 1st Extension Period}		
		2nd Extension Period (1 year) Year 6 - To drill 1 (one) well		Min. Expenditure US\$
		{Contractor may enter into Production Period upon commercial discovery}		

10,	Production Period	20 years from the date of completion of development in accordance with Development Plan (or) according to Petroleum (Crude Oil / Natural Gas) Sales Agreement, whichever is longer.			
11,	Royalty	12.5% of Available Petroleum.			
12,	Cost Recovery	50% of all Available Petroleum for water depth 600 feet or less			
	Profit Split	60% of all Available Petroleum for water depth more than 600 feet			
13,	(Profit Petroleum Allocation)	Crude Oil			
		<i>Water Depth</i>		<i>600 feet or less</i>	
				<i>more than 600 feet</i>	
		BOPD	MOGE(%)	CONT(%)	MOGE(%)
					CONT(%)
		0 - 25,000	60	40	60
		25,001 - 50,000	65	35	65
		50,001 - 100,000	80	20	75
		100,001 - 150,000	85	15	80
		above 150,000	90	10	85
					15
		Natural Gas			
		<i>Water Depth</i>		<i>600 feet or less</i>	
				<i>more than 600 feet</i>	
		MMCFD	MOGE(%)	CONT(%)	MOGE(%)
					CONT(%)
		0 - 300	65	35	60
		301 - 600	75	25	70
		601 - 900	85	15	80
		above 900	90	10	90
					10
14,	Production Bonus	Crude Oil Upon approval of Development Plan = 1.00 MMUS\$ 25,000 BOPD (for 90 consecutive days production) = 2.00 MMUS\$ 50,000 BOPD (for 90 consecutive days production) = 3.00 MMUS\$ 100,000 BOPD (for 90 consecutive days production) = 4.00 MMUS\$ 150,000 BOPD (for 90 consecutive days production) = 5.00 MMUS\$ 200,000 BOPD (for 90 consecutive days production) = 10.00 MMUS\$ Natural Gas Upon approval of Development Plan = 1.00 MMUS\$ 150 MMCFD (for 90 consecutive days production) = 2.00 MMUS\$ 300 MMCFD (for 90 consecutive days production) = 3.00 MMUS\$ 600 MMCFD (for 90 consecutive days production) = 4.00 MMUS\$ 750 MMCFD (for 90 consecutive days production) = 5.00 MMUS\$ 900 MMCFD (for 90 consecutive days production) = 10.00 MMUS\$			
15,	Domestic Requirement	20% of Crude Oil and 25% of Natural Gas of CONTRACTOR's share at 90% of Fair Market Values.			
16,	Training Fund	Exploration Period = 50,000 US\$ per Year. Production Period = 100,000 US\$ per Year.			
17,	Research and Development Fund	0.5% of CONTRACTOR's share of Profit Petroleum.			
18,	State Participation	Undivided Interest up to 20% after Commercial Discovery and up to 25% if the reserves is greater than 5 TCF Barrel of Oil Equivalent.			
19,	Income Tax	25% on CONTRACTOR's Net Profit. (5 years Tax Holiday starting from the Production.)			
20,	Governing Law	Laws of the Republic of the Union of Myanmar.			
21,	Arbitration	UNCITRAL Arbitration Rules.			

22,	Sharing of Profits made from the sale or transfer of the shares in the Company formed under the contract	<p>If the Company formed under the provisions of the Contract sell or transfer its Shares of the Company and if a Profit is being made, CONTRACTOR is liable to pay to the Government of the Republic the Union of Myanmar the following tranches out of the Net Profit made on the sale or transfer of the shares of the Company, registered under the Contract:-</p> <ul style="list-style-type: none"> - If the amount of Net Profit is up to 100 MMUS\$ 40% - If the amount of Net Profit is between 100 MMUS\$ and 150 MMUS\$ 45% - If the amount of Net Profit is over 150 MMUS\$ 50%
23,	EITI	MOGE and CONTRACTOR shall collaborate to implement the Extractive Industries Transparency Initiative.
24,	CSR	Contractor shall expedite the Corporate Social Responsibility (CSR) in the Contract Area as well as for the people of Myanmar in consultation with MOGE according to the Contractor's code of conduct.

Appendix 13 Oil and Gas Transportation Volume and Tariff

Moattama Gas Transportation Company (Yangon Branch)

Date/Month	Volume transported (Gas)	Unit	Tariff rates (USD/MMBTU)	Project	Block	Amount Received (USD)
01/04/2016	17,411.68	MMSCF	1,738.62	Yadana	M-5, M-6	30,272,319.87
01/05/2016	20,163.03	MMSCF	1,507.21	Yadana	M-5, M-6	30,389,975.64
01/06/2016	18,494.84	MMSCF	1,595.28	Yadana	M-5, M-6	29,504,418.53
01/07/2016	15,766.41	MMSCF	1,518.19	Yadana	M-5, M-6	23,936,453.98
01/08/2016	19,009.58	MMSCF	1,577.83	Yadana	M-5, M-6	29,993,861.52
01/09/2016	19,442.31	MMSCF	1,450.79	Yadana	M-5, M-6	28,206,762.36
01/10/2016	20,320.78	MMSCF	1,342.56	Yadana	M-5, M-6	27,281,895.01
01/11/2016	17,780.31	MMSCF	1,480.08	Yadana	M-5, M-6	26,316,271.74
01/12/2016	16,273.56	MMSCF	1,552.15	Yadana	M-5, M-6	25,259,084.64
01/01/2017	18,187.46	MMSCF	1,582.44	Yadana	M-5, M-6	28,780,586.37
01/02/2017	13,851.61	MMSCF	1,608.58	Yadana	M-5, M-6	22,281,425.66
01/03/2017	15,312.34	MMSCF	1,634.18	Yadana	M-5, M-6	25,023,177.14

Taninthayi Pipeline Company LLC

Date/Month	Volume transported (Gas)	Unit	Tariff rates (USD/MMBTU)	Project	Block	Amount Received (in million MMK)
04/01/16	5,322,756.44	MMBTU	1.83	Yetagun	M-12, M-13, M-14	9,752,765.87
05/05/16	7,547,528.81	MMBTU	1.88	Yetagun	M-12, M-13, M-14	14,176,804.34
06/08/16	7,177,643.11	MMBTU	1.75	Yetagun	M-12, M-13, M-14	12,584,827.01
07/12/16	6,134,248.57	MMBTU	2.01	Yetagun	M-12, M-13, M-14	12,338,894.29
08/15/16	7,195,086.23	MMBTU	2.01	Yetagun	M-12, M-13, M-14	14,486,126.13
09/18/16	7,264,673.25	MMBTU	2.01	Yetagun	M-12, M-13, M-14	14,626,228.18
10/22/16	7,201,893.82	MMBTU	1.99	Yetagun	M-12, M-13, M-14	14,325,603.88
11/25/16	6,198,353.05	MMBTU	1.99	Yetagun	M-12, M-13, M-14	12,316,098.78
12/29/16	5,603,939.76	MMBTU	1.99	Yetagun	M-12, M-13, M-14	11,147,043.15
01/01/17	6,484,163.91	MMBTU	2.10	Yetagun	M-12, M-13, M-14	13,616,666.40
02/07/17	6,168,272.76	MMBTU	2.10	Yetagun	M-12, M-13, M-14	12,953,298.78
03/01/17	5,495,765.04	MMBTU	2.10	Yetagun	M-12, M-13, M-14	11,541,040.64

Andaman Transportation Limited (Yangon Branch)

Date/Month	Volume transported (Gas)	Unit	Tariff rates (USD/MMBTU)	Project	Block	Amount Received (in million MMK)
30/04/2016	6,839,574.00	MMBTU	2.4682	Zawtika	M-9	16,881,436.55
	1,849,056.00	MMBTU	1.9794	Zawtika	M-9	3,660,021.45
31/05/2016	7,334,478.00	MMBTU	2.4682	Zawtika	M-9	18,102,958.60
	1,835,929.00	MMBTU	1.9794	Zawtika	M-9	3,634,037.86
30/06/2016	6,729,567.00	MMBTU	2.4682	Zawtika	M-9	16,609,917.27
	1,771,556.00	MMBTU	1.9794	Zawtika	M-9	3,506,617.95
31/07/2016	6,029,337.00	MMBTU	2.237	Zawtika	M-9	13,373,534.38
	954,089.00	MMBTU	1.794	Zawtika	M-9	1,711,635.67
31/08/2016	7,230,474.00	MMBTU	2.237	Zawtika	M-9	15,577,996.20
	1,568,627.00	MMBTU	1.794	Zawtika	M-9	2,814,116.84
30/09/2016	7,073,873.00	MMBTU	2.237	Zawtika	M-9	15,824,253.90
	1,137,469.00	MMBTU	1.794	Zawtika	M-9	2,040,619.39
31/10/2016	7,552,298.00	MMBTU	2.2102	Zawtika	M-9	16,692,089.04
	1,157,423.00	MMBTU	1.7725	Zawtika	M-9	2,051,532.27
30/11/2016	7,036,429.00	MMBTU	2.2102	Zawtika	M-9	15,551,915.38
	1,610,354.00	MMBTU	1.7725	Zawtika	M-9	2,854,352.47
31/12/2016	6,686,990.00	MMBTU	2.2102	Zawtika	M-9	14,779,585.30
	2,035,126.00	MMBTU	1.7725	Zawtika	M-9	3,607,260.84
31/01/2017	7,116,694.00	MMBTU	2.3333	Zawtika	M-9	16,605,382.11
	1,788,763.00	MMBTU	1.8712	Zawtika	M-9	3,347,133.33
28/02/2017	4,176,480.00	MMBTU	2.3333	Zawtika	M-9	9,744,980.78
	974,428.00	MMBTU	1.8712	Zawtika	M-9	1,823,349.67
31/03/2017	5,747,590.00	MMBTU	2.3333	Zawtika	M-9	13,410,851.75
	1,801,194.00	MMBTU	1.8712	Zawtika	M-9	3,370,394.21

South-East Asia Gas Pipeline Co., Ltd (Great Ocean Branch)

Date/Month	Volume transported (Gas)	Unit	Tariff rates (USD/MMBTU)	Project	Block	Amount Received (USD)
01/04/2016	9,346.20	MMSCF	2,362.36	Shwe	A-1, A-3	22,079,092.26
01/05/2016	12,646.56	MMSCF	2,394.64	Shwe	A-1, A-3	30,283,899.47
01/06/2016	12,638.54	MMSCF	2,372.82	Shwe	A-1, A-3	29,989,021.33
01/07/2016	15,736.09	MMSCF	2,484.27	Shwe	A-1, A-3	39,092,652.89
01/08/2016	15,635.96	MMSCF	2,500.21	Shwe	A-1, A-3	39,093,155.50
01/09/2016	14,998.87	MMSCF	2,493.42	Shwe	A-1, A-3	37,398,454.48
01/10/2016	14,070.20	MMSCF	2,474.56	Shwe	A-1, A-3	34,817,566.82
01/11/2016	14,137.35	MMSCF	2,483.95	Shwe	A-1, A-3	35,116,507.59
01/12/2016	16,081.92	MMSCF	2,398.47	Shwe	A-1, A-3	38,571,970.45
01/01/2017	14,631.77	MMSCF	2,371.22	Shwe	A-1, A-3	34,695,183.13
01/02/2017	14,759.18	MMSCF	2,402.48	Shwe	A-1, A-3	35,458,568.18
01/03/2017	17,463.03	MMSCF	2,420.96	Shwe	A-1, A-3	42,277,223.02

Appendix 14 Detail of Submission of the Reporting Templates by Extractive Companies

Refer to separate attachment.

Appendix 15 Breakdown of the Social Payments by Beneficiary and by Project

Refer to separate attachment.

Appendix 16: Extractive Revenues 2016-2017 Disaggregated by Revenue Streams

Sector	Tax Revenue	Non-tax Revenue	Offshore Domestic Sales to MOGE net off against Non-Tax Revenue	Non-Tax Revenue (Sale of State Share)	Personal Income Tax	Social Security Board Contributions	Contribution to State/Region Social Development Fund	Social Payments	Total Revenue	%
Oil and Gas	9,033	939,596	547,321	2,957	17,007	751	0	9,088	1,525,753	66.3%
Custom Duties	42	-	-	-	-	-	-	-	42	0.0%
Commercial Tax on Imported Capital equipment, goods and services	17	-	-	-	-	-	-	-	17	0.0%
Corporate Income Tax	5,998	-	-	-	-	-	-	-	5,998	0.3%
Withholding tax - Resident	2,213	-	-	-	-	-	-	-	2,213	0.1%
Withholding tax - Non-Resident	756	-	-	-	-	-	-	-	756	0.0%
Stamp Duties	7	-	-	-	-	-	-	-	7	0.0%
Royalties	-	280,029	-	-	-	-	-	-	280,029	12.2%
Signature Bonus	-	30,546	-	-	-	-	-	-	30,546	1.3%
State Participation	-	298,436	-	-	-	-	-	-	298,436	13.0%
Production Split (Profit Sharing)	-	330,585	547,321	-	-	-	-	-	877,906	38.1%
Sale of State Share	-	-	-	2,957	-	-	-	-	2,957	0.1%
Personal Income Tax	-	-	-	-	17,007	-	-	-	17,007	0.7%
Social Security Board Contribution	-	-	-	-	-	751	-	-	751	0.0%
Voluntary Social Responsibility	-	-	-	-	-	-	-	9,088	9,088	0.4%
Oil and Gas Transportation	152,075	129,573	-	-	7,399	63	-	3,308	292,418	12.7%
Corporate Income Tax	152,075	-	-	-	-	-	-	-	152,075	6.6%
Profit Sharing	-	118,002	-	-	-	-	-	-	118,002	5.1%
Right of Way	-	11,571	-	-	-	-	-	-	11,571	0.5%
Personal Income Tax	-	-	-	-	7,399	-	-	-	7,399	0.3%
Social Security Board Contribution	-	-	-	-	-	63	-	-	63	0.0%
Voluntary Social Responsibility	-	-	-	-	-	-	-	3,308	3,308	0.1%
Gem and Jade	131,493	231,266	-	-	3	50	65	2,184	365,061	15.9%
Custom Duties	2,766	-	-	-	-	-	-	-	2,766	0.1%
Commercial Tax on Imported Capital Equipment	5,636	-	-	-	-	-	-	-	5,636	0.2%
Commercial Tax on Imports on Raw Materials and Inventories	2	-	-	-	-	-	-	-	2	0.0%
Corporate Income Tax	11,205	-	-	-	-	-	-	-	11,205	0.5%
Commercial Tax	11,894	-	-	-	-	-	-	-	11,894	0.5%
Capital Gains Tax	49	-	-	-	-	-	-	-	49	0.0%
Withholding tax - Resident	769	-	-	-	-	-	-	-	769	0.0%
Stamp Duties	-	-	-	-	-	-	-	-	0	0.0%
Specific Goods Tax	99,172	-	-	-	-	-	-	-	99,172	4.3%
Royalties on Production - Raw Materials 20%, Added Value 10%	-	21,868	-	-	-	-	-	-	21,868	0.9%

Sector	Tax Revenue	Non-tax Revenue	Offshore Domestic Sales to MOGE net off against Non-Tax Revenue	Non-Tax Revenue (Sale of State Share)	Personal Income Tax	Social Security Board Contributions	Contribution to State/Region Social Development Fund	Social Payments	Total Revenue	%
Commercial Tax - 5% (MMK)	-	3,144	-	-	-	-	-	-	3,144	0.1%
Commercial Tax - 15% (MMK)	-	270	-	-	-	-	-	-	270	0.0%
Specific Goods Tax - Rough Stones 20%, Jewellery 5%	-	79,012	-	-	-	-	-	-	79,012	3.4%
Production Split - 25% of sales net of Tax	-	95,231	-	-	-	-	-	-	95,231	4.1%
Service Fees Euro Sales - Raw Materials 3%, Added Value 1%	-	26,194	-	-	-	-	-	-	26,194	1.1%
Supervision Fees for Euro Sales	-	2,989	-	-	-	-	-	-	2,989	0.1%
Central Committee 1% on sales	-	18	-	-	-	-	-	-	18	0.0%
Penalty (Central Committee 1%)	-	468	-	-	-	-	-	-	468	0.0%
Penalty (Supervision Fees)	-	41	-	-	-	-	-	-	41	0.0%
Penalty 10%	-	1,143	-	-	-	-	-	-	1,143	0.0%
Penalty 25%	-	888	-	-	-	-	-	-	888	0.0%
Personal Income Tax	-	-	-	-	3	-	-	-	3	0.0%
Social Security Board Contribution	-	-	-	-	-	50	-	-	50	0.0%
Contribution to State/Region Social Development Fund	-	-	-	-	-	-	65	-	65	0.0%
Voluntary Social Responsibility	-	-	-	-	-	-	-	2,184	2,184	0.1%
Mining	39,741	27,181	-	31,087	582	446	-	2,403	101,440	4.4%
Custom Duties	2,477	-	-	-	-	-	-	-	2,477	0.1%
Commercial Tax on Imported Capital Equipment	6,273	-	-	-	-	-	-	-	6,273	0.3%
Corporate Income Tax	5,638	-	-	-	-	-	-	-	5,638	0.2%
Commercial Tax	21,093	-	-	-	-	-	-	-	21,093	0.9%
Stamp Duties	3	-	-	-	-	-	-	-	3	0.0%
Capital Gains Tax	221	-	-	-	-	-	-	-	221	0.0%
Withholding tax - Resident	2,215	-	-	-	-	-	-	-	2,215	0.1%
Withholding tax - Non-Resident	11	-	-	-	-	-	-	-	11	0.0%
Specific Goods Tax	1,810	-	-	-	-	-	-	-	1,810	0.1%
Royalties	-	2,848	-	-	-	-	-	-	2,848	0.1%
Dead Rent Fees	-	2,898	-	-	-	-	-	-	2,898	0.1%
License Fees	-	-	-	-	-	-	-	-	0	0.0%
Application Fees	-	2	-	-	-	-	-	-	2	0.0%
Land Rental Fee	-	1,264	-	-	-	-	-	-	1,264	0.1%
Production Split	-	15,517	-	-	-	-	-	-	15,517	0.7%
Application Fees	-	87	-	-	-	-	-	-	87	0.0%
Rental Fee	-	908	-	-	-	-	-	-	908	0.0%
Sale (Mill Tailing)	-	984	-	-	-	-	-	-	984	0.0%
Others	-	257	-	-	-	-	-	-	257	0.0%

Sector	Tax Revenue	Non-tax Revenue	Offshore Domestic Sales to MOGE net off against Non-Tax Revenue	Non-Tax Revenue (Sale of State Share)	Personal Income Tax	Social Security Board Contributions	Contribution to State/Region Social Development Fund	Social Payments	Total Revenue	%
Application Fees	-	388	-	-	-	-	-	-	388	0.0%
Other Fees (Penalty/Rental machineries)	-	2,028	-	-	-	-	-	-	2,028	0.1%
Sale of State Share	-	-	-	31,087	-	-	-	-	31,087	1.3%
Personal Income Tax	-	-	-	-	582	-	-	-	582	0.0%
Social Security Board Contribution	-	-	-	-	-	446	-	-	446	0.0%
Voluntary Social Responsibility	-	-	-	-	-	-	-	2,403	2,403	0.1%
Pearl	1,072	840	-	15,905	124	53	55	55	18,104	0.8%
Custom Duties	24	-	-	-	-	-	-	-	24	0.0%
Commercial Tax on Imported Capital Equipment	19	-	-	-	-	-	-	-	19	0.0%
Corporate Income Tax	956	-	-	-	-	-	-	-	956	0.0%
Commercial Tax	69	-	-	-	-	-	-	-	69	0.0%
Stamp Duties	4	-	-	-	-	-	-	-	4	0.0%
Royalties (Seeding Tax - for local companies only)	--	819	-	-	-	-	-	-	819	0.0%
Other Fees	-	1	-	-	-	-	-	-	1	0.0%
Lease of buildings	-	20	-	-	-	-	-	-	20	0.0%
Sale of State Share	-	-	-	15,905	-	-	-	-	15,905	0.7%
Personal Income Tax	-	-	-	-	124	-	-	-	124	0.0%
Social Security Board Contribution	-	-	-	-	-	53	-	-	53	0.0%
Contribution to State/Region Social Development Fund	-	-	-	-	-	-	55	-	55	0.0%
Voluntary Social Responsibility	-	-	-	-	-	-	-	55	55	0.0%
TOTAL	333,414	1,328,456	547,321	49,949	25,115	1,363	120	17,038	2,302,776	100.0%

Appendix 17 Extractive Revenues 2016-2017 Disaggregated by Company

Company	Total Amount (in million MMK)	%
Oil and Gas	1,525,753	66.3%
Posco Daewoo Corporation (Myanmar E&P Office)	286,692	12.4%
PC Myanmar (Hong Kong) Limited	267,853	11.6%
Total E&P Myanmar	233,265	10.1%
PTTEP International Ltd.	138,389	6.0%
ENI Myanmar B.V. (Myanmar Branch)	13,287	0.6%
Pacific Hunt Energy Corporation (Myanmar Branch)	10,182	0.4%
Bashneft International B.V. (Myanmar Branch)	5,131	0.2%
Nippon Oil	3,651	0.2%
Unocal Myanmar Offshore Co., Ltd.	2,858	0.1%
GoldPetrol Joint Operating Company Inc., (GJOC Inc.)	1,577	0.1%
MPRL E&P Pte Ltd. (Yangon Branch)	1,333	0.1%
Ophir Myanmar (Block AD-3) Limited (Myanmar Branch)	1,262	0.1%
PTTEP SA	1,257	0.1%
Shell Myanmar Energy Pte. Ltd. - Yangon Branch	1,086	0.0%
Woodside Energy (Myanmar) Pte Ltd	748	0.0%
Gail JJ India Ltd	634	0.0%
SINOPEC	515	0.0%
Korea Gas Corporation	502	0.0%
BG Exploration & Production Myanmar Pte. Ltd. (Myanmar Branch)	394	0.0%
Chinnery Assets Limited (Myanmar Branch)	337	0.0%
CAOG PTE LTD (MYANMAR BRANCH)	141	0.0%
Berlanga Myanmar Pte Ltd., (Myanmar Branch)	78	0.0%
SNOG Pte Ltd	33	0.0%
IsTech Energy EP-5 Pte Ltd., (Myanmar Branch)	30	0.0%
ONGC Videsh Ltd.,	30	0.0%
CFG Energy Pte Ltd.,	14	0.0%
Brunei National Petroleum Company Sdn Bhd (PB Myanmar)	8	0.0%
Petronas Carigali Myanmar Inc (PCMI)	1	0.0%
Parami Energy Development Company Ltd	-	0.0%
JSC Nobel Oil	-	0.0%
Jubilant Oil & Gas Pte. Ltd.	-	0.0%
North Petro-Chem Corporation Myanmar Ltd. (NPCMM)	-	0.0%
Oil India Limited	-	0.0%
Petroleum Exploration (PVT) Ltd.	-	0.0%
Petrovietnam Exploration Production Corporation	-	0.0%
Reliance Industries Ltd.	-	0.0%
Statoil Myanmar Pte. Ltd	-	0.0%
Tap Energy (M-7) Co., Ltd. (Statoil)	-	0.0%
TRG M15 Pte. Ltd.	-	0.0%
Offshore Domestic Sales net off against Non-Tax Revenue		
Posco Daewoo Corporation (Myanmar E&P Office)	209,760	9.1%
Total E&P Myanmar	191,183	8.3%
PTTEP International Ltd.	146,378	6.4%
Unilateral Disclosure	7,144	0.3%
Oil and Gas Transportation	292,418	12.7%
Moattama	151,957	6.6%
TPC	100,220	4.4%
SEAGP	39,298	1.7%
Andaman	943	0.0%
Gems and Jade	365,061	15.9%
(1.1.1) Gems & Jewellery Co.,Ltd	1,898	0.1%

Company	Total Amount (in million MMK)	%
Agga Yadanar Min Yarzar	1,024	0.0%
Aung Aung Naing Naing Gems Co.,Ltd	764	0.0%
Aung Myin Thu (AMT) Company	1,907	0.1%
Ayar Jade Company	7,486	0.3%
Ayeyar Yadanar Gems & Jewellery Co., Ltd.	2,061	0.1%
Ba Wa Tet Lan	743	0.0%
CANCRI (GEMS & JEWELLERY) CO., LTD (Phu Sha Star)	0	0.0%
Chang Long Gems & Jewellery Co.,Ltd.	1,046	0.0%
Chaow Brothers (GCB) (Venture)	724	0.0%
Crystal Red Gems Co.,Ltd	617	0.0%
Emerald Garden Co., Ltd.	4,043	0.2%
Ever Winner Gems Company [EW]	840	0.0%
Farmer Phyoyarzar Gems Co., Ltd	852	0.0%
Golden Gate Wall Gems Co.,Ltd	708	0.0%
Great Genesis Gems (GMH) Company	8,849	0.4%
Great Nine	13	0.0%
GREEN MOUNTAIN COMPANY LIMITED	2,850	0.1%
Hawk Kyi Jewellery Company	1,117	0.0%
Jade Ayer Internatioanl Co., Ltd	1,537	0.1%
Jade Mountain Gems Company	2,871	0.1%
Jade New Gems	0	0.0%
Jade Padathar Company	858	0.0%
Jade Palace (Kyauk Seinn Nandaw Gems & Jewellery Co., Ltd.)	159	0.0%
Jade Pioneer Company Limited (Jade Shaesaung)	41	0.0%
JADE TREASURE COMPANY LIMITED	628	0.0%
Kachin Nationals Development@ Progress Gems Co.,Ltd	1,345	0.1%
Kaung Myat Thukha Co., Ltd	1,166	0.1%
Kaung Su Aung Jade & Gmes Co., Ltd.	1,191	0.1%
Kaung Su Wai Hlyan Gems Co.,Ltd	213	0.0%
Kaung Swan Htet Company	2,723	0.1%
Khin Zaw Aung & Brothers Gems and Jewellery Company Limited	25,485	1.1%
Khine Lon Company (KL)	1,010	0.0%
KHUN PA-OH GEMS & JEWELLERY CO LTD.	3,661	0.2%
Kyaing International (GKI) Company	4,823	0.2%
Kyauk Seinn Sun Shwin Jade, Gems & Jewellery Co., Ltd.	3,748	0.2%
Kyauk Seinn Wingabar Jade, Gems & Jewellery Company	654	0.0%
Kyaw Naing & Brothers Gems	57	0.0%
Linn Lett Win Yadanar Gems	25,662	1.1%
Long Byit Jewellery Co.,Ltd	598	0.0%
Lyan Shan Company	3,157	0.1%
MYA YAUNG TUN GEMS & JEWELLERY Company	72	0.0%
Myanma Seinn Lei Aung (MSLA-S) Company	2,233	0.1%
Myanmar Economic Cooperation	10,715	0.5%
Myanmar First Gems & Jewellery Company Limited	3,113	0.1%
Myanmar Imperial Jade (Gems & Jewellery) Co., Ltd.	5,847	0.3%
Myanmar Ruby Enterprise	333	0.0%
MYANMAR SI-THU JEWELLERY CO;LTD	717	0.0%
Myanmar Thura Company [MTY]	1,793	0.1%
Myat Myitta Mon Gems	0	0.0%
Myat Yamon Gems	4,008	0.2%
Myo Nwe Gems & Jewellery Company Limited	3,499	0.2%
Nan Htike Pyae Paing Gems & Jewellery Company Limited	1,135	0.0%
Nay La Pwint Company	660	0.0%

Company	Total Amount (in million MMK)	%
New Jade International Company (NJ)	4,352	0.2%
Nilar Yoma Gems Co.,Ltd	235	0.0%
Oo Ya Gems	2,468	0.1%
Pang Huke Duwa Company{PHD}	1,147	0.0%
Pho Thar Htoo Gems Company [PTH]	2,427	0.1%
Phyo Pyae Sone	563	0.0%
Phyo Thiha Kyaw Gems Co.,Ltd	1,131	0.0%
Ruby Dragon Jade & Gems Co.,Ltd.	598	0.0%
Sein Lom Taung Tan Gems Company Limited	6,396	0.3%
Sein Thura San Company (GST)	1,083	0.0%
Shining Star Light Gems& Jewellery Co.,Ltd (Tauk Pa Thaw)	1,646	0.1%
Shwe Byain Phyu (Gems) Company	20,452	0.9%
Shwe Gaung Gaung (SGG-S) Company	1,061	0.0%
Shwe Oak Khai	1,464	0.1%
Shwe Pyi Thar Gems Trading and Faceting Co-op.,Ltd	859	0.0%
SILVER ELEPHANT GEMS COMPANY LIMITED (Ngwe sin)	8,600	0.4%
Super Natural Gems & Jewellery Co., Ltd. (Natural Best)	1,426	0.1%
Super Same (SPS) Company	584	0.0%
Thi Raw Mani	3,092	0.1%
Treasure Star Company Limited (Yadanar Kyal)	698	0.0%
Tun Naing Aung Gems	2,450	0.1%
UNITY GEMS CO.LTD.	2,326	0.1%
VALUE STANDARD GEMS & JEWELLERY CO., LTD	1,833	0.1%
WAI AUNG GABAR GEMS COMPANY LIMITED	18,649	0.8%
Wai Family Gems Company Limited	5,071	0.2%
YADANAR SIN THIRI GEMS COMPANY LIMITED	907	0.0%
Yadanar Taung Tann Gems Co.,Ltd.	20,584	0.9%
Yadanar Three Elephant Company	10,709	0.5%
Yar Za Htar Ni Gems Co., Ltd	7,524	0.3%
Zebu Thiri Gems Co.,Ltd	584	0.0%
Unilateral Disclosure	80,888	3.5%
Mining	101,440	4.4%
Cornerstone Resources (Myanmar) Ltd.	4,236	0.2%
Daewoo Precious Resources Co., Ltd	95	0.0%
Eternal Mining Co., Ltd.	1,714	0.1%
First Resources Co.,Ltd	1,040	0.0%
GOOD BROTHER MACHINE	928	0.0%
Htoo International Industrial Group Co., Ltd.	725	0.0%
Kan Baw Za Industrial Co., Ltd,	1,796	0.1%
KayahIncountryMetalMining	291	0.0%
Manadalay Golden Friend Mining Co., Ltd.	217	0.0%
Mandalay Distribution and Mining Co., Ltd.	526	0.0%
Max Myanmar Co., Group.	798	0.0%
MOGE	3	0.0%
Myanmar Economic Corporation	10,395	0.5%
Myanmar Economic Holding Ltd.,	9,749	0.4%
Myanmar Golden PointFamily	470	0.0%
Myanmar Wanbo Copper Mining Co., Ltd.	1,460	0.1%
Myanmar Yang Tse Copper Ltd.	6,173	0.3%
Ngwe Kabar Myanmar Co., Ltd	66	0.0%
Ngwe Yi Pale Mining Co., Ltd	684	0.0%
NO.(1) HEAVY INDUSTRY	129	0.0%
PYAE SONE AUNG CHAN	12	0.0%

Company	Total Amount (in million MMK)	%
Sai Long Hein Mining Co., Ltd.	258	0.0%
Shwe Taung Mining Co., Ltd.	1,214	0.1%
Tha Byu Mining Co., Ltd	396	0.0%
Than Taw Myat Co., Ltd	2,922	0.1%
Thi Ha Thant Hein Mining Co., Ltd.	327	0.0%
Top Ten Star Production Co.,Ltd.	535	0.0%
Tun Thwin Mining Co., Ltd	402	0.0%
Win Myint Mo Industries Co.,Ltd.	1,538	0.1%
Wuntho Resources Co., Ltd	123	0.0%
YCDC	357	0.0%
Unilateral Disclosure	51,861	2.3%
Pearl	18,104	0.8%
Myanmar Tasaki Co., Ltd	750	0.0%
Orient Pearl Co., Ltd (Zinyaw)	617	0.0%
Niino Pearl Culturing Co., Ltd	280	0.0%
Myanmar Atlantic Co., Ltd	248	0.0%
Myanmar Andman Co., Ltd	142	0.0%
Orient Pearl Co., Ltd (Jalan)	85	0.0%
Aquagold Myanmar Co., Ltd	37	0.0%
Annawar Pearl Company Limited	23	0.0%
Belparl Myanmar Co., Ltd	14	0.0%
Pyae Phyo Tun Co., Ltd	1	0.0%
Pyae Sone Htet Myint Co., Ltd	1	0.0%
Unilateral Disclosure	15,906	0.7%
TOTAL	2,302,776	100.0%

Appendix 18 Reconciliation Sheets by Company

Refer to separate attachment.

Appendix 19 Situation of the Oil and Gas Companies that Did Not Submit Reporting Templates

No.	Company	Block	Signing Date	Period	Remarks
1	Asia Orient International Ltd. (CJs Oc Nobel Oil)	PSC – E	14-06-2012	Initial Exploration Period	PSC (O,J) only awarded but not contact to MOEE (2013)
2	Gail JJ India Ltd	Share Partner of Shwe Project (Daewoo)			Terminated on 04.10.2014
3	Geopetrol International Holding Inc.	RSF – 9	11-03-2012	Initial Exploration Period	Terminated on 31.01.2017
4	JSC Nobel Oil	PSC – B1	06-09-2008	Second Extension Period	Terminated on 02.03.2017
5	Korea Gas Corporation	Share Partner of Shwe Project (Daewoo)			Terminated on 30.04.2014
6	Nippon Oil	Share Partner of Yetagun Project (PCML)			Terminated on 07.06.2017
7	North Petro-Chem Corporation Myanmar Ltd. (NPCCM)	PSC – F	16-06-2010	Second Extension Period	Terminated on 30.09.2017
8	Oil India Limited	YEB, M-4	04-12-2014	Study Period	Terminated on 14.10.2017
9	Petroleum Exploration (PVT) Ltd.	PSC-O, PSC-J	N/A	Block was awarded but company failed to sign PSC	Terminated on 29.10.2017
10	Petrovietnam Exploration Production Corporation	M-2	02-10-2008	Second Extension Period	Terminated on 09.12.2017
11	Reliance Industries Ltd.	M-17, M-18	31-03-2015	Study Period	Shell Partner
12	SINOPEC	PSC-D	03-09-2004	Second Extension Period	Posco Daewoo Partner
13	Tap Energy (M-7) Co., Ltd. (Statoil)	M-7	26-08-2015	Study Period	Posco Daewoo Partner
14	TRG/CFG M15 Pte. Ltd.	M-15	30-03-2015	Study Period	G&G Study
15	Statoil Myanmar Pte. Ltd.	AD-10	30-04-2015	Study Period	Relinquished (28-02-2018)
16	Jubilant Oil & Gas Pte. Ltd.	PSC-1	28-05-2012	Initial Exploration Period	Share transferred to Parami Energy. Share transferred Parami to Myanmar PSCL.

Appendix 20 Bid Criteria for the Award of the Oil and Gas Blocks

Refer to separate attachment.

Appendix 21 Gold in-kind Debts of the Other Minerals Companies Due to ME2 as at 31 March 2017

List of Gold In-debt by State/ Region as of 31.3.2017

List of In-debt by Fiscal Year										Unit - Tical
No	Company (in Myanmar Alphabetical Order)	State/ Region	2007-2008 to 2010-2011	2011-2012	963.32 Difference	2012-2013	2013-2014	Total	Remark	
1	Lucky Lotus (Kan Kaung Thaw Padonemar)	Kachin	22.50	4.00	-	-	-	26.50	-	
2	Kaung Myat Pyae Sone	Kachin	9.38	4.00	-	-	-	13.38	-	
3	Khant Nyar	Kachin	-	-		24.00	24.00	48.00	-	
4	Snail House (Kayu Eain)	Kachin	10.50	8.00	28.00	-	-	46.50	-	
5	Khin Yadanar Aung	Kachin	229.69	6.00	-	-	-	235.69	-	
6	Chan Myae	Kachin	11.25	12.00	-	-	-	23.25	-	
7	Jar Sha Gong	Kachin	18.75	4.00	-	-	-	22.75	-	
8	Jate Lin	Kachin	134.06	-	-	-	-	134.06	-	
9	So Pyay Aung	Kachin	20.63	4.00	-	-	-	24.63	-	
10	Sein Myat Mon	Kachin	15.94	-	-	-	-	15.94	-	
11	Swe Yadanar	Kachin	62.81	4.00	-	-	-	66.81	-	
12	San Linn	Kachin	207.71	-	-	-	-	207.71	-	
13	Twal San	Kachin	25.31	4.00	-	-	-	29.31	-	
14	Htet Kaung Kyaw	Kachin	168.75	18.00	-	-	-	186.75	-	
15	Tun Tun Aung	Kachin	28.13	-	-	-	-	28.13	-	
16	Htin Paw Kyaw Kyar	Kachin	83.44	64.00	-	72.00	-	219.44	-	
17	Htet Wai Phyo	Kachin	32.81	-	-	-	-	32.81	-	
18	Northen Star	Kachin	33.28	-	-	-	-	33.28	-	
19	Pan Myat Marlar	Kachin	-	8.00	-	-	-	8.00	-	
20	Phyo Wai Thiri	Kachin	73.13	6.00	-	-	-	79.13	-	
21	Ma Naw Yadanar	Kachin	34.69	-	-	-	-	34.69	-	
22	Myouk Pine Tharaphu (Northern Crown)	Kachin	1.75	4.00	-	-	-	5.75	-	
23	Myanmar San Taw Win	Kachin	-	6.00	42.00	-	-	48.00	-	
24	Myanmar Nwe Win	Kachin	30.94	4.00	-	-	-	34.94	-	
25	Myanmar Moe Thouk Kyal	Kachin	6.09	2.00	-	-	-	8.09	-	
26	Myanmar Shwe Yadanar	Kachin	60.00	25.00	14.00	4.00	-	103.00	-	
27	Myanmar Shwe Yadanar Hein	Kachin	9.38	-	-	-	-	9.38	-	
28	Myanmar Aung Moe Hein	Kachin	15.00	-	-	-	-	15.00	-	
29	Moe Thouk Kyal Min	Kachin	8.44	-	-	-	-	8.44	-	
30	Shwe Chit Thu	Kachin	16.81	-	-	-	-	16.81	-	
31	Shwe Kho Wine	Kachin	-	-	-	8.00	-	8.00	-	
32	Yadanar Sone Mhat	Kachin	-	-	-	14.00	-	14.00	-	
33	Shwe Tar Pain	Kachin	158.26	2.00	-	-	-	160.26	-	
34	Shwe Htoo	Kachin	26.81	-	-	-	-	26.81	-	
35	Yar Hnone Pyae	Kachin	474.38	20.00	-	-	-	494.38	-	
36	Shwe Pin Lal Natthamee	Kachin	25.31	-	-	-	-	25.31	-	
37	Shin Bwae Yan Development	Kachin	92.34	10.00	-	-	-	102.34	-	
38	Shwe Mya Nandar	Kachin	12.39	-	-	-	-	12.39	-	

No	Company (in Myanmar Alphabetical Order)	State/ Region	List of In-debt by Fiscal Year						Remark
			2007- 2008 to 2010- 2011	2011-2012	963.32 Difference	2012-2013	2013-2014	Total	
39	Shwe Yadanar Shwe	Kachin	29.06	4.00	-	-	-	33.06	-
40	Shwe Yadanar Soe	Kachin	20.56	-	-	-	-	20.56	-
41	Shwe Win Htet	Kachin	50.63	8.00	-	-	-	58.63	-
42	Shwe Thapayay Aung	Kachin	8.44	2.00	-	-	-	10.44	-
43	Shwe Aung Mine	Kachin	53.91	16.00	-	-	-	69.91	-
44	Lay Kyun Aung Lan	Kachin	45.75	9.00	-	-	-	54.75	-
45	Lab Moe Hlyan	Kachin	5.63	4.00	-	-	-	9.63	-
46	LatYway Sin	Kachin	31.88	2.00	-	-	-	33.88	-
64	မနောရတနာ	Kachin	-	-	-	-	-	0.00	-
47	Wai Myint San Thar	Kachin	62.34	2.00	-	-	-	64.34	-
48	Green Mineral (Thet Tu Sein)	Kachin	73.13	-	-	-	-	73.13	-
49	Thein Htet Hlyan	Kachin	97.50	6.00	-	-	-	103.50	-
50	Thamudra Natthamee	Kachin	95.63	-	-	-	-	95.63	-
51	Thway Family	Kachin	525.87	41.00	-	-	-	566.87	-
52	Thein Than Thu	Kachin	18.75	4.00	-	-	-	22.75	-
53	Hein Naing Soe	Kachin	77.81	4.00	-	-	-	81.81	-
54	Aung Pwal Win	Kachin	51.25	4.00	-	-	-	55.25	-
55	Aung Myin Thu	Kachin	-	-	-	4.00	-	4.00	-
56	Aung Myint San	Kachin	40.31	4.00	-	-	-	44.31	-
57	Ah May Kyay Zue	Kachin	38.13	4.00	-	-	-	42.13	-
58	Arr Lat Yone	Kachin	-	-	-	32.00	-	32.00	-
59	Aung Thit Lwin	Kachin	26.63	4.00	-	-	-	30.63	-
60	Aung Hein Shane Physo	Kachin	66.88	8.00	-	-	-	74.88	-
Kachin - Total		60 Companies	3,580.75	345.00	84.00	158.00	24.00	4,191.75	-
1	Kyaw Hlwan Moe	Kayin	202.50	200.00	-	-	-	402.50	-
2	Chit Lin Myaing	Kayin	-	-	-	58.00	-	58.00	-
3	Mya Htay Kywal Lin	Kayin	-	-	-	38.00	-	38.00	-
4	Ou Dan Thit	Kayin	150.00	160.00	-	-	-	310.00	-
Kayin - Total		4 Companies	352.50	360.00	-	96.00	-	808.50	-
1	Kan Kaung Chin Htar Ra Wa Arr Mhan	Sagaing	20.63	44.00	-	-	-	64.63	-
2	Kit Sa Nha Daewi	Sagaing	60.55	-	-	-	-	60.55	-
3	Sein Htet Win	Sagaing	24.30	-	-	-	-	24.30	-
4	Sein Shwe Wah Nadi	Sagaing	239.91	11.00	-	-	-	250.91	-
5	Htar Nay Aung	Sagaing	142.56	-	-	-	-	142.56	-
6	Htay Win Tun	Sagaing	268.27	-	-	-	-	268.27	-
7	Htun Yan Naing	Sagaing	35.64	-	-	-	-	35.64	-
8	Hnin Yaung Myay	Sagaing	17.94	-	-	-	-	17.94	-
9	Phyu Wah Yaung Shwe	Sagaing	59.47	30.00	-	-	-	89.47	-
10	Thunder Lion (Moe Kyoe Chin Thae)	Sagaing	56.14	20.00	-	-	-	76.14	-
11	Mandalay Mining	Sagaing	297.53	-	-	-	-	297.53	-
12	Myanmar Shwe Theingi	Sagaing	28.32	-	-	-	-	28.32	-

No	Company (in Myanmar Alphabetical Order)	State/ Region	List of In-debt by Fiscal Year						Remark
			2007- 2008 to 2010- 2011	2011-2012	963.32 Difference	2012-2013	2013-2014	Total	
13	Mu Myit Phyar	Sagaing	16.72	14.00	10.00	22.00	-	62.72	-
14	Moe Hein Htun	Sagaing	43.07	4.00	-	-	-	47.07	-
15	Shan Ka Tu	Sagaing	361.16	35.00	-	8.00	-	404.16	-
16	Shwe Chindwin	Sagaing	105.71	-	-	-	-	105.71	-
17	Shwe Ngu Wah Shwe	Sagaing	54.59	-	-	-	-	54.59	-
18	Shwe Sin Gabar	Sagaing	20.72	-	-	-	-	20.72	-
19	Shwe Say Te Seik	Sagaing	252.76	10.00	-	-	-	262.76	-
20	Shwe Sein Mya	Sagaing	115.45	4.00	-	-	-	119.45	-
21	Shwe Sin Hein	Sagaing	52.02	-	-	-	-	52.02	-
22	Shwe Swe Tun	Sagaing	49.06	-	-	-	-	49.06	-
23	Shwe Toe Tat Aung	Sagaing	19.16	-	-	-	-	19.16	-
24	Yadanar Chindwin	Sagaing	375.22	-	-	-	-	375.22	-
25	Yadanar Lal Myay	Sagaing	108.84	-	-	-	-	108.84	-
26	Shwe Tar Pain	Sagaing	36.98	5.00	-	-	-	41.98	-
27	Shwe Tat Hein	Sagaing	94.35	12.00	-	-	-	106.35	-
28	Shwe Nwe Khan	Sagaing	13.44	-	-	-	-	13.44	-
29	Shwe Nant Thar Aung	Sagaing	80.35	-	-	-	-	80.35	-
30	Shwe Pwar	Sagaing	65.49	28.00	-	12.00	-	105.49	-
31	Shwe Pyay San Aung	Sagaing	12.44	-	-	-	-	12.44	-
32	Shwe Pyae Hlyan	Sagaing	37.29	-	-	-	-	37.29	-
33	Shwe Mya Nandar	Sagaing	67.29	-	-	-	-	67.29	-
34	Golden Good Friend (Shwe Yaung Kaung Thaw Mate Swe)	Sagaing	139.84	-	-	12.00	50.00	201.84	-
35	Shwe Lat Pan Thar	Sagaing	172.44	-	-	-	-	172.44	-
36	Shwe Wati	Sagaing	686.83	-	-	-	-	686.83	-
37	Shwe Win Tun Aung	Sagaing	181.23	12.00	-	-	-	193.23	-
38	Shwe Wint War Aung	Sagaing	28.37	2.80	-	-	-	31.17	-
39	Shwe Than Taung Myouk Pine (Shwe Than Taung Northern)	Sagaing	71.02	-	-	-	-	71.02	-
40	Shwe Tha Pyay Moe	Sagaing	26.92	-	-	-	-	26.92	-
41	Lin Lae Sein	Sagaing	126.61	26.00	-	-	-	152.61	-
42	Win Ayeyarwaddy	Sagaing	183.81	-	-	24.00	-	207.81	-
43	Win and Pyae Phyo	Sagaing	166.97	14.00	4.00	4.00	-	188.97	-
44	Wine Myint Myat	Sagaing	35.00	-	-	-	-	35.00	-
45	Win Wah Shwe Sin	Sagaing	176.75	-	-	-	-	176.75	-
46	Theingi Shwe Sin	Sagaing	36.23	-	-	-	-	36.23	-
47	Green Mineral (Thet Tu Sein)	Sagaing	88.93	42.00	-	-	-	130.93	-
48	Thar Lon	Sagaing	16.11	15.82	-	-	-	31.93	-
49	Tha Lar Shwe Sin	Sagaing	170.20	20.00	-	-	-	190.20	-
50	Hein Naing Soe	Sagaing	103.03	6.00	-	-	-	109.03	-
51	Hein Yarzar	Sagaing	106.05	4.00	-	-	-	110.05	-
52	Best Gold (A Kaung Sone Shwe)	Sagaing	9.38	-	-	-	-	9.38	-

No	Company (in Myanmar Alphabetical Order)	State/ Region	List of In-debt by Fiscal Year						Remark
			2007- 2008 to 2010- 2011	2011-2012	963.32 Difference	2012-2013	2013-2014	Total	
53	Ant Phwal Gabar	Sagaing	87.86	28.00	-	-	-	115.86	-
54	Aung Myint San	Sagaing	129.49	-	-	-	-	129.49	-
55	Aung Thukha Linn	Sagaing	53.40	-	-	-	-	53.40	-
56	Ayeyarwaddy Myit Phyar	Sagaing	107.16	-	-	-	-	107.16	-
Sagaing - Total		56 Companies	6,137.00	387.62	14.00	82.00	50.00	6,670.62	-
1	Khaing Shwe Nyein Aye	Bago	58.12	-	-	-	-	58.12	-
2	Khan Wah	Bago	102.01	-	-	-	-	102.01	-
3	Emeral Island (Mya Sein Yaung Kyun)	Bago	3.75	5.00	-	-	-	8.75	-
4	Myanmar Bobo	Bago	9.38	-	-	-	-	9.38	-
5	Shwe Kyin Thar	Bago	352.93	11.25	-	-	-	364.18	-
6	Yoma Thit	Bago	37.61	-	-	-	-	37.61	-
7	Aung Myin Chan Thar	Bago	65.63	-	-	-	-	65.63	-
Bago - Total		7 Companies	629.43	16.25	-	-	-	645.68	-
1	Moe Lwin	Mon	21.77	-	-	-	-	21.77	-
Mon - Total		1 Company	21.77	-	-	-	-	21.77	-
1	Sein Htay Shwe	Mandalay (Sint Ku)	45.00	-	-	-	-	45.00	-
2	San Win Family	Mandalay (Sint Ku)	45.00	-	-	-	-	45.00	-
3	Taw Naw Htoo	Mandalay (Sint Ku)	30.00	10.00	14.00	-	-	54.00	-
4	Nilar Hnin Si	Mandalay (Sint Ku)	202.50	-	-	-	-	202.50	-
5	Shwe Sit Thel	Mandalay (Sint Ku)	10.30	-	-	-	-	10.30	-
6	Yadanar Lal Myay	Mandalay (Sint Ku)	346.92	-	-	-	-	346.92	-
7	Yar Thet San	Mandalay (Sint Ku)	45.00	-	-	-	-	45.00	-
8	Theingi Aung	Mandalay (Sint Ku)	34.00	-	-	-	-	34.00	-
9	Aung Nan Tharaphu	Mandalay (Sint Ku)	-	-	-	17.93	-	17.93	-
10	Silver Wave	Mandalay (Sint Ku)	29.98	-	-	-	-	29.98	-
Mandalay (Sint Ku) - Total		10 Companies	788.70	10.00	14.00	17.93	-	830.63	-
1	Sein Htee Nan	Mandalay (Thabeikkyin)	65.13	-	-	-	-	65.13	-
2	Shwe Wah Lin	Mandalay (Thabeikkyin)	21.57	-	-	-	-	21.57	-
3	Pyae Phyo Lin Khaing	Mandalay (Thabeikkyin)	26.00	-	-	-	-	26.00	-
4	Shwe Mya Nandar	Mandalay (Thabeikkyin)	24.55	-	-	-	-	24.55	-
5	Shwe Thiha Myanmar	Mandalay (Thabeikkyin)	10.39	-	-	-	-	10.39	-
6	Wai Yan Oo	Mandalay (Thabeikkyin)	22.50	-	-	-	-	22.50	-
7	Hong Tar	Mandalay (Thabeikkyin)	18.59	-	-	-	-	18.59	-
8	Aung Shwe Ngar (Aung Gloden Fish)	Mandalay (Thabeikkyin)	13.13	-	-	-	-	13.13	-
Mandalay (Thabeikkyin) - Total		8 Companies	201.86	-	-	-	-	201.86	-

No	Company (in Myanmar Alphabetical Order)	State/ Region	List of In-debt by Fiscal Year						Remark
			2007- 2008 to 2010- 2011	2011-2012	963.32 Difference	2012-2013	2013-2014	Total	
1	San Lin	Tharsi	16.88	10.00	-	-	-	26.88	-
	Mandalay (Tharsi) - Total	1 Company	16.88	10.00	-	-	-	26.88	-
1	Shwe Sin Taung	Tanintharyi	15.83	-	-	-	-	15.83	-
2	Shwe Phone Thit	Tanintharyi	48.83	-	-	-	-	48.83	-
	Tanintharyi - Total	2 Companies	64.66	-	-	-	-	64.66	-
1	Khu Nhit Thaw Yar Su	Shan	13.13	10.00	-	-	-	23.13	-
2	Sein Myay International	Shan	-	-	-	4.00	-	4.00	-
3	Htet Kaung Kyaw	Shan	13.13	10.00	-	-	-	23.13	-
4	Yangon Kyal Ni	Shan	-	-	-	32.00	-	32.00	-
5	Shwe Kywel (Golden Buffalo)	Shan	86.25	-	-	-	-	86.25	-
6	Aung Sit Thway	Shan	13.13	10.00	-	-	-	23.13	-
7	Aung Naing	Shan	13.75	40.00	70.00	-	-	123.75	-
	Shan - Total	7 Companies	139.39	70.00	70.00	36.00	-	315.39	-
1	Kaung Industry (Kaung Sat Mhu Lat Mhu)	Yamethin	68.85	-	-	-	-	68.85	-
2	Sue San Lae Lar	Yamethin	20.63	10.00	14.00	-	-	44.63	-
3	Sein Htee Nan (Diamond Throne)	Yamethin	16.88	6.00	-	-	-	22.88	-
4	July Moe	Yamethin	40.43	-	-	-	-	40.43	-
5	Taw Win Dana	Yamethin	74.72	-	-	-	-	74.72	-
6	Pann Pwint (Flower)	Yamethin	86.94	-	-	-	-	86.94	-
7	Pann Myat Yarzar	Yamethin	90.50	-	-	-	-	90.50	-
8	Yarmanya International	Yamethin	60.47	-	-	-	-	60.47	-
9	Shwe Yaung Kaung Kin (Golden Sky)	Yamethin	43.13	10.00	-	-	-	53.13	-
10	Shwe Ya Aung Pyae	Yamethin	25.31	10.00	14.00	-	-	49.31	-
11	Win Myaing	Yamethin	15.88	10.00	-	-	-	25.88	-
12	Haung Tha Yaw Aung Myay	Yamethin	-	-	3.87	-	-	3.87	-
13	Aye Nyein Mon	Yamethin	92.34	-	-	-	-	92.34	-
14	A Myel Mhan (Ever Right)	Yamethin	29.55	-	-	-	-	29.55	-
	Yamethin - Total	14 Companies	665.63	46.00	31.87	-	-	743.50	-
	Grand Total	170 Companies	12,598.57	1,244.87	213.87	389.93	74.00	14,521.24	-

Appendix 22 Persons Contacted or Involved in the 2016-17 MEITI Reconciliation

MEITI National Coordination Office (NCS)	
U Soe Win	National Coordinator
U Aung Khine	Policy Development & Technical Advisor
U Kyaw Thura	Program Manager
Daw Zin Mar Myaing	Technical Advisor
U Htun Paw Oo	Technical Specialist
Daw Sandar Myint	BO Coordinator
U Soe Thiha Naing	Admin Officer
Daw Shwe Yi Aung	Finance Officer
Daw Htet Nandar Aung	Communication & Outreach Officer
Daw Aye Chan Wai	Technical Officer
U Zin Ko Ko Aung	Communication Assistant
U Kyaw Thin Maung	Program Assistant
U Tat Tun Sai	Admin Assistant
U Maung Maung Myint Lwin	IT Technician
Ministry of Electricity and Energy (MOEE)	
U Myo Myint Oo	Managing Director, MOGE
U Win Maw	Deputy Director General, OGPD
U Than Htay Aung	MEITI-MSG Alternate/ Expert, MOGE
Daw Khin Khin Aye	Director, OGPD
U Tin Zaw Myint	Director, OGPD
Daw Soe Soe Nyeint	Deputy Director, OGPD
U Min Min Oo	Assistant Secretary, Permanent Secretary Office
U Soe Myint	Director, MOGE
U Kyaw Swar Soe	Director, MOGE
Daw Kyi Kyi Pyone	Deputy Director, Finance
Daw Nu Nu Yi	Deputy General Manager, Onshore Department
U Nay Aung	Manager, Offshore Department
Daw Myint Myint Khaing	Assistant Manager, Offshore Department
Daw Win Win Kyu	Deputy Director, Oil and Gas Planning Department
Daw Su Su Soe	Assistant Director, Oil and Gas Planning Department
U Myo San Oo	SG, MOGE
Dr. Soe Moe Aung	EG, MOGE
U Kyaw Thura	EG, MOGE
Ministry of Natural Resource and Environmental Conservation (MONREC)	
U Khin Latt Gyi	Director General, Department of Mines
U Kyaw Thet	MEITI-MSG/ Deputy Director General, Department of Mines
U Tin Tun Win	Director, Department of Mines
U Kyaw Zaw Htun	Assistant Director, Department of Mines
U Tun Tun Lwin	General Manager, Mining Enterprise 1
Daw Mi Mi Kyawt	Manager, Mining Enterprise 1
U Hla Win	Assistant Manager, Mining Enterprise 1
U Aye Zaw	Director, Mining Enterprise 2
U Ye Myo Min	Senior Engineer, Mining Enterprise 2
U Lin Khun Koe	Assistant Manager, Mining Enterprise 2
Daw Ei Mon Cho	Account 1, Mining Enterprise 2
Dr. Ye Myint Swe	Director General, Department of Geological Survey and Mineral Explorer
Dr. Zaw Linn Aung	Director, Department of Geological Survey and Mineral Explorer
U Kyaw Zaw Htun	Assistant Director, Department of Mines
Daw Soe Sandar Maung	Staff Officer, Department of Mines
U Min Thu	Director, Myanmar Gems Enterprise
U Hla Aung	Assistant Director, Myanmar Gems Enterprise
U Shwe Win	Manager, Myanmar Gems Enterprise
Daw Kyu Kyu Win	Assistant Deputy Director, Myanmar Gems Enterprise
U Htun Htun Zaw	Assistant Deputy Director, Myanmar Gems Enterprise
U Myint Thu	General Manager, Myanmar Pearl Enterprise
U Tay Zar Linn	Deputy General Manager, Myanmar Pearl Enterprise
Daw Pan Pa Pa Lin	Myanmar Pearl Enterprise
Daw Theint Theint Swe	Office Staff, Myanmar Pearl Enterprise

U Tin Htun	Director, Planning and Statistics Division, Forest Department
U Win Naing	Deputy Director, Planning and Statistics Division, Forest Department
Daw Aye Aye Nyein	Deputy Director, Finance Division, Forest Department
U Htun Htun Wai	Assistant Director, Forest Department
U Min Min Oo	Staff Officer, Forest Department
U Yan Myo Aung	Staff Officer, Forest Department
U Thet Naing Oo	Staff Officer, Forest Department

Ministry of Planning and Finance (MOPF)

U Maung Maung Win	Deputy Minister, MOPF
U Myo Min	Director, DICA
Dr. Wah Wah Maung	Director General, Central Statistical Organization
Daw Khin Moh Moh	Director, Central Statistical Organization
Daw Phyu Pyar Tun	Assistant Director, Central Statistical Organization
Daw Wint Nandar Zaw	Assistant Director, Central Statistical Organization
Daw Khin Aye Mu	Deputy Director, Planning Department
U Aung Myat Kyaw	Director, SEE, Budget Department
Daw Wah Wah Tun	Deputy Director, SEE, Budget Department
Daw Swe Zin Oo	Assistant Director, SEE, Budget Department
Daw Khin Khin Lwin	Director, MEITI Office, Budget Department
Daw Nan Hla Hla Min	Deputy Director, MEITI Office, Budget Department
Daw Khin Pa Pa Khaing	Assistant Director, MEITI Office, Budget Department
Daw Phyu Phyu Thant	Assistant Director, MEITI Office, Budget Department
Daw Shwe Yee Win	Staff Officer, MEITI Office, Budget Department
Daw Mai Khin Nway Shein	Staff Officer, MEITI Office, Budget Department
Daw Mya Mya Oo	Deputy Director General, IRD
U Kyaw Thein	MEITI-MSG/Director, IRD
Daw Myat Theingi	Staff Officer, IRD
Daw Min Min Khaing	Assistant Director, IRD
Daw Yee Yee Khaing	Deputy Director General, Treasury Department
Daw Khin Swe Win	Assistant Director, Treasury Department
Daw Hay Mar Hnin	Staff Officer, Treasury Department
Daw Yin Mar Htay	Staff Officer, Treasury Department
U Kyaw Htin	Director General, Customs Department
Daw Wai Wai Kyaw	Deputy Director, Customs Department
U Than Swe Tint	Assistant Director, Customs Department
U Zaw Zaw	Staff Officer, Customs Department

Office of the Auditor General of the Union (OAG)

Daw Khine Khine Aung	Director General
Daw San San Win	Deputy Director General
Daw Khin Khin Thi	Deputy Director General
Daw Wai Lwin Myint	DTR
Daw San San Myint	DTR
Daw Htar Yee	Director
Daw Thandar Phyu Aye	Deputy Director
Daw Aye Pearl Oo	Deputy Director
Daw Mary	Assistant Director
Daw Khin Phyo Wai	Assistant Director

PwC Myanmar

Alywin Teh	Partner
Paul Cornelius	Partner
Greg Unsworth	Partner
Belinda Neo	Managing Director
Suk Peng Ding	Managing Director
Khin Thit Yee	Associate Director
Tracy Tan	Senior Manager
Harry Atachparian	Senior Manager
April Aye Thagyan	Manager
Karla Mae Tumar	Manager
Su Myat Tin Aung	Assistant Manager
Khin Hnin Pwint	Senior Consultant

Mohindru Priyanka	Senior Consultant
Aye Mon Thi	Senior Consultant

Myanmar Alliance for Transparency and Accountability (MATA)

U Ye Lin Myint	National Coordinator, MATA
U Naing Lin Htut	Steering Committee Member (Ayeyarwaddy Division), MATA, MEITI- MSG Mmember, MEITI- Technical and Reporting Sub-committee member
U Htoo Aung	Programme Coordinator (EITI/ Communications), MATA
Daw Moe Moe Tun	Steering Committee Member (Mandalay Division), MATA, MEITI- MSG Mmember, MEITI- Technical and Reporting Sub-committee member
Daw Me Me Thein	Steering Committee Member (Shan State), MATA

Myanmar Economic Holding Limited (MEHL)

U Hla Myo	General Manager, MEHL
U Than Lin	Translator, MEHL

Myanmar Economic Corporation

Dr. Myint Than	General Manager, MEC
U Aye Hein	Deputy General Manager, MEC
U Aung Naing Lin	Assistant General Manager, MEC

Natural Resource Governance Institute (NRGI)

U Maw Tun Aung	Myanmar Country Manager, NRGI
U Hosana Chay	Myanmar Associate, NRGI
Daw Khin Saw Htay	Myanmar Officer, NRGI
Daw Aye Kyi Thar Swe	Myanmar Senior Officer, NRGI

Appendix 23 MOGE Offshore and Pipe Line Projects Income (2016-2017)

Refer to separate attachment.

Appendix 24 MOGE's Sales of Production by Individual Buying Company for FY2016-2017

Refer to separate attachment.

Appendix 25 MOGE's Purchases of Oil and Gas Production by Selling Company for FY2016-2017

Refer to separate attachment.

This report has been produced with the collaboration of Ministry of Planning and Finance, Ministry of Natural Resources and Environmental Conservation, and Ministry of Electricity and Energy.



THE FOURTH MYANMAR EITI REPORT

For the Period 1 April 2016 to 31 March 2017
(FY 2016 - 2017)

Oil and Gas, Gems and Jade,
Other Minerals and Pearl



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