

The State Peace and Development Council  
**The State Budget Law, 1999**  
(The State Peace and Development Council Law No. 2/99)  
The 14th Waxing Day of Hnaung Tagu, 1360 M.E.  
(30th March, 1999)

The State Peace and Development Council hereby enacts the following Law:

**PART I**

**Title and Date of Enforcement**

1. (a) This Law shall be called the State Budget Law, 1999.
- (b) With the exception of section 23, section 24 and section 25 of this Law, the provisions of the remaining sections shall come into force from 1st April, 1999 for the 1999 -2000 financial year.
- (c) The provisions to levy commercial tax in foreign currency contained in section 23, section 24 and section 25 of this Law shall have effect from 1st January, 1999.

**PART II**

**The State Peace and Development Council Multi - Party Democracy General Election Commission, Government, Chief Justice, Attorney General, Auditor General, Ministries and Departments.**

**Chapter I**

**Receipts and Expenditures**

2. The State Peace and Development Council Multi - party Democracy General Election Commission, Government, Chief Justice, Attorney General, Auditor General, Ministries and Departments shall carry out their functions in accordance with the State Budget Programme. In carrying out such functions, all receipts shall be credited to the State Budget and all expenditures payable shall be debited from the State Budget.
3. (a) The respective persons who have been given the responsibility for the receipts and expenditures of the State Peace and Development Council, Multi - Party Democracy General Election Commission, Governments, Chief Justice, Attorney General, Auditor General, Ministries and Departments shall supervise and collect those receipts and administer those expenditures as are shown against them in Schedules (1), (2), (3) and (4).
- (b) The respective persons who have undertaken the responsibility under sub - section (a) may delegate their powers to the respective persons serving under them.
- (c) Supervision and collection of the receipts and administration of the expenditures shall be in accordance with the provisions of this Law, relevant laws, rules, regulations, bye - laws, orders, directives and procedures.
4. (a) Out of the estimated receipts shown in Schedules (1) and (3), if foreign aids and loans received under Chapter (III) exceeded the estimated amount, and if expenditures of those works which are to be incurred out of such excess amount received as foreign aids and loans are in excess of the sanctioned expenditures shown in Schedules (2) and (4), the Government may approve after scrutiny.

Provided that, if expenditures to be incurred out of the State Budget in Kyats converted from the aforesaid foreign aids and loans are not converted by the sum shown in Schedules (2) and (4), then it may be incurred out of the reserve fund in accordance with the provisions of section 6.

(b) The Government shall submit matters relating to expenditures in excess permitted under sub - section (a) to the State Peace and Development Council together with objects and reasons casewise.

5. In respect of any alterations of sums shown in Schedules (1), (2), (3) and (4) under requirement of work, it shall be shown in the revised estimate budget for the 1999-2000 financial year submitted to the State Peace and Development Council.

## **Chapter II Reserve Fund**

6. (a) Expenditures incurred by the State Peace and Development Council, Multi - Party Democracy General Election Commission, Government, Chief Justice, Attorney General, Auditor General, Ministries and Departments out of the reserve fund shown in Schedule(4), Column 2 shall be effected only in accordance with the following conditions: -

(i) being expenditure which cannot be anticipated;

(ii) being a case in which expenditure must be incurred within the financial year;

(iii) where transfer of budget heads cannot be effected or where there is no allotment for transfer of budget heads under the existing Laws, rules, regulations and bye - laws.

(b) Any expenditure from the reserve fund shall be made only by the decision of the Government.

(c) The Government shall submit matters relating to expenditure to be incurred out of the reserve fund to the State Peace and Development Council together with objects and reasons casewise.

7. The State Peace and Development Council, Multi - Party Democracy General Election Commission, Government, Chief Justice, Attorney General, Auditor General, Ministries and Departments shall not be allowed to submit supplementary budget of the State in respect of receipt of amounts in excess of or less than the estimated amount under this Law or appropriation of allotment by transferring budget heads within the sanctioned expenditure or expenditure incurred from the reserve fund or expenditure incurred with the sanction of the Government under section 4. Provided that if expenditures in conformity with the conditions contained in section 6 are not covered by the reserve fund allowed under this Law, then such expenditures may be submitted to the State Peace and Development Council together with objects and reasons casewise.

## **Chapter III Taking of Loans**

8. For the purpose of projects or for expenditures shown in the State Budget, the Government may take loans by issuing security bonds guaranteed by Government or debentures or by other means, within the country or from abroad. Reasonable rates of interest may be prescribed for such loans. Conditions for repayment, redemption or provision otherwise may also be stipulated.

9. Regarding loans obtained by issuing security bonds for covering the deficit in the budget of the previous financial year, new security bonds may be issued when payment of the loan becomes due.

10. The State Economic Organizations and Cantonment Municipalities may take loans from abroad, for their projects with the approval of the Government.

11. The Government may grant permission to any Government Department to borrow money from abroad for any project.

12. (a) The Government may empower the Minister of the Ministry of Finance and Revenue for carrying out wholly or partly the duties contained in this Chapter III.

(b) The Minister of the Ministry of Finance and Revenue may, on behalf of the State furnish guarantees for the taking of loans under this Chapter III.

13. During the financial year commencing 1st April 1999 and ending on 31st March 2000 the amount of loans actually received by the execution of loan agreements under this Chapter III shall not exceed Kyats seventy thousand million.

### **PART III**

#### **State Economic Organizations**

14. The State Economic Organizations shall carry out their functions in accordance with the State Budget Programmed. In carrying out such functions, all receipts shall be credited to the State Budget and all expenditures payable shall be debited from the State Budget.

15. (a) The respective persons who have been given the responsibility for the receipt and expenditure of the State Economic Organizations shall supervise and collect those receipts and administer those expenditures as are shown against them on Schedules (5) and (6).

(b) The respective persons who have undertaken the responsibility under subsection (a) may delegate their powers to the respective persons serving under them.

(c) Supervision and collection of the receipts and administration of the expenditures shall be in accordance with the provisions of this Law, relevant laws, rules, regulations, bye - laws, orders, directives and procedures.

16. (a) The Government may alter the amounts shown in Schedules (5) and (6), if it becomes necessary for the functions of the State Economic Organizations. Such alterations shall be shown in the revised estimate budget for the 1999 - 2000 financial year submitted to the State Peace and Development Council together with objects and reasons therefor.

(b) The Government may determine the amount of money to be contributed by the State Economic Organizations towards the State.

### **PART IV**

#### **Cantonment Municipalities**

17. The Cantonment Municipalities shall subsist on their own funds and shall carry out their functions in accordance with their Budget Programmes.

18. (a) The respective persons who have been given the responsibility for the receipt and expenditure of Cantonment Municipalities shall supervise and collect those receipts and administer those expenditures as are shown against them in Schedules (7) and (8).

(b) The respective persons who have undertaken the responsibility under subsection (a) may delegate their powers to the respective persons serving under them.

(c) Supervision and collection of the receipts and administration of the expenditures shall be in accordance with the provisions of this Law, relevant laws, rules, regulations, bye laws, orders, directives and procedures.

19. (a) The Government may alter the amounts shown in Schedules (7) and (8), if it becomes necessary for the functions of Cantonment Municipalities. Such alterations shall be shown in the revised estimate budget for the 1999 - 2000 financial year submitted to the State Peace and Development Council together with objects and reasons therefor.

(b) The Government may permit Cantonment Municipalities to obtain money required for carrying out their functions or for investment from grants or loans.

20. The Cantonment Municipalities may collect only such rates and taxes permitted by the existing laws, rules, regulations, bye - laws, orders, directives as are relevant to them.

## **PART V**

### **Development Committees and Municipalities**

21. The Government may grant loans and contributions to the Development Committees and Municipalities.

## **PART VI**

### **Commercial Tax**

22. The types of services mentioned in Schedule (9) of this Law shall be inserted in Schedule 7 of the Commercial Tax Law as serial numbers 6, 7, 8, 9 and 10.

23. Notwithstanding anything contained in Schedule (1) to Schedule (6) and in serial number 3 of Schedule 7 of the Commercial Tax Law, if foreign currency is included in the proceeds of sale or total proceeds of sale received by any person from any production and sale of goods in respect of the kinds of goods contained in Schedule (1) to Schedule (6) or from any trading work of purchase and sale of goods in respect of the type of service contained in serial numbers 3 of Schedule 7, commercial tax equivalent to 8 per cent of the amount of foreign currency so included shall be paid in such foreign currency.

24. The provision contained in section 23 shall not be applicable to export items of the enterprises carried out with the permission of the Myanmar Investment Commission, export items re - exported by the enterprises carried out by cutting, making and packing (CMP) system and proceeds of sale from export and sale of export items of the mineral sector, energy sector and forest sector.

**The State Peace and Development Council, Multi-Party Democracy General Election  
Commission, Government, Chief Justice, Attorney-General and Auditor-General**  
[Schedule \(1\)](#)

**The State Peace and Development Council, Multi-Party Democracy General Election  
Commission, Government, Chief Justice, Attorney-General and Auditor-General**  
[Schedule \(2\)](#)

**Ministries and Departments**  
[Schedule \(3\)](#)

**Ministries and Departments**  
[Schedule \(4\)](#)

**State Economic Organizations**  
[Schedule \(5\)](#)

**State Economic Organizations**  
[Schedule \(6\)](#)

**Cantonment Municipalities**  
[Schedule \(7\)](#)

**Cantonment Municipalities**  
[Schedule \(8\)](#)

**Service to be added in Schedule 7 of the Commercial Tax Law**  
[Schedule \(9\)](#)

**Sd./- Than Shwe**  
**Senior General**  
**Chairman**  
**The State Peace and Development Council**

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