

The Union of Myanmar  
The State Peace and Development Council  
**The State Budget Law, 2006**  
( The State Peace and Development Council Law No. 4/2006 )  
The 1<sup>st</sup> Waning Day of Tabaung, 1367 M.E.  
(28 March, 2006)

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

**PART I**  
**Title and Date of Effectiveness**

1. (a). This Law shall be called the State Budget Law, 2006.  
(b) The provisions of this law shall take effect commencing from 1<sup>st</sup>  
April, 2006 for the financial year 2006-2007.

**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 assigned responsibility for the receipts and expenditure of the State Peace and Development Council, Multi-Party Democracy General Election Commission, Government, 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 exceed 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 covered 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 case-wise

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 2006-2007 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 12 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 case-wise.

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 case-wise.

### **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 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 taking of loans under this Chapter III
13. During the financial year commencing from 1<sup>st</sup> April, 2006 and ending on 31<sup>st</sup> March, 2007 the total amount of loans actually received by execution of loan agreements under this Chapter III shall not exceed Kyats four hundred thousand million.

**PART III**  
**State Economic Organizations**

14. The State Economic Organizations 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.

15.
  - (a) The respective persons who have been assigned 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 in Schedules (5) and (6)
  - (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.
  
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 2006-2007 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 assigned 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 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.
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 2006-2007 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 under the existing laws, rules, regulations, bye-laws, orders, directives as are relevant to them.

**PART V**  
**Development Committees and Municipalities**

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

(Sd.) Than Shwe  
Senior General  
Chairman  
The State Peace and Development Council