

**MYANMAR EXTRACTIVE INDUSTRIES TRANSPARENCY
INITIATIVE (MEITI)**

SCOPING STUDY

FOR THE SECOND AND THIRD EITI REPORTS

For the Periods April 2014 - March 2015

and April 2015 - March 2016

Oil and Gas, Gems and Jade and Other Minerals

December 2017



TABLE DES MATIERES

EXECUTIVE SUMMARY	5
Objective of the mission.....	5
Scope of our work.....	5
Approach and methodology.....	5
Limitations to scoping work.....	6
Proposed scope.....	7
Recommended scope of the 2014-2015 EITI Report.....	9
1. INTRODUCTION.....	19
1.1 Extractive Industries Transparency Initiative (EITI).....	19
1.2 EITI in Myanmar	19
2. OBJECTIVES, APPROACH AND METHODOLOGY	20
2.1 Objectives	20
2.2 Approach	20
2.3 Methodology adopted	21
3. CONTEXTUAL INFORMATION ON THE EXTRACTIVE SECTOR.....	23
3.1. Extractive sector in Myanmar	23
3.2. Regulatory framework and context of the Oil & Gas sector	24
3.3. Legal framework and context of the mining sector.....	37
3.4. Budget process.....	50
3.5. Fiscal devolution.....	51
3.6. Revenues collection	52
3.7. Beneficial ownership.....	57
3.8. Auditing and accounting	60
4 MATERIALITY ANALYSIS	62
4.1. Introduction	62
4.2. Analysis of payments to government	62
4.3. Recommended list of reporting entities	74
4.4. Selection of Government Agencies	108
4.5. Fiscal year	108
4.4 Reliability and certification of data to be reported	109
4.6. Level of disaggregation	109
4.7. Acceptable discrepancy margin.....	109
ANNEXES	110
Annex 1: Declaration forms	111

Annex 2: Map of oil & gas blocks in Myanmar.....	112
Annex 3: Mineral Deposit Map in Myanmar.....	113
Annex 4: List of mining licenses	114
Annex 5: List of O&G companies.....	115
Annex 6: Persons involved or contacted	116

LISTE DES ABBREVIATIONS	
ASM	Artisanal and Small-scale mining
Bbl.	Barrel
CSO	Civil Society Organisation and Central Statistical Office
DGSE	Department of Geological Service and Mineral Exploration
DHPP	Department of Hydropower Planning
EPD	Energy Planning Department - EPD (Ministry of Energy)
GAAP	Generally Accepted Accounting Principles
GOUM	Government of the Union of Myanmar
IT	Income Tax
IFRS	International Financial Reporting Standards
INTOSAI	International Organisation of Supreme Audit Institutions
IOC	International Oil Company
IPRC	Improved Petroleum Recovery Contracts
IRD	Internal Revenue Department
IFAC	International Federation of Accountants
JV(A)	Joint Venture (Agreement)
km ²	Square kilometre
MATA	Myanmar Alliance for Transparency and Accountability (MATA)
MEB	Myanmar Economic Bank
MEITI	Myanmar EITI
MEPE	Myanmar Electric Power Enterprise
MIC	Myanmar Investment Commission
MNPED	Ministry of National Planning and Economic Development
MOE	Ministry of Energy
MOGE	Myanmar Oil & Gas Enterprise-MOGE (Ministry of Energy)
MoPF	Ministry of Planning and Finance
MSG	Multi-Stakeholder Group
MGE	Myanmar Gems Enterprise
MNRMC	Minerals and Natural Resources Management Committee
MPE	Myanmar Petrochemical Enterprise
MPPE	Myanmar Petroleum Products Enterprise
n/a	Not applicable
OAG	Office of the Auditor General
OGPD	Oil and Gas Planning Department
PSC	Production Sharing Contract
SEE	State Economic Enterprise
SME	Small and Medium Enterprise
SOE	State-Owned Enterprise
Tcf	Trillion Cubic Feet
ToR	Terms of Reference
UMEHL	Union of Myanmar Economic Holdings Ltd.
US \$	United States dollars

EXECUTIVE SUMMARY

We have carried out a scoping study in order to set out the EITI reconciliation scope which will be used for the second and third Myanmar EITI reports. This assignment is the first step and pre-condition to the reconciliation process.

Objective of the mission

The objective of the report is to clearly define the scope of the EITI reconciliation exercise, the Reporting Templates, the data collection process and the working schedule, in accordance with the EITI Requirements (Version 2016) and objectives agreed by the EITI Multi stakeholders Steering Group (MSG).

Scope of our work

In accordance with the Terms of Reference (TOR) of our mission, the reconciliation exercises for the periods from 1 April 2014 to 31 March 2015 and from 1 April 2015 to 31 March 2016 will cover:

- oil and gas (including transportation); and
- mining (including jade and gemstones).

Approach and methodology

We carried out our scoping study in accordance with International Standards for Related Services (ISRS 4400 Engagements to perform agreed upon procedures regarding Financial Information) as well as the Terms of Reference. The Scoping study involves:

- examining MSG's work plans, by studying all the annual reports prepared by the latter and reviewing previous pre-scoping reports and studies published by Myanmar;
- collecting and examining the contextual data and providing a descriptive overview of the extractive sector in Myanmar;
- reviewing the payments and revenues to be included in the EITI report in accordance with EITI Requirements;
- selecting companies and government entities which will be required to report a declaration in accordance with EITI Requirements;
- identifying revenue streams to be included in the Reporting Templates;
- review the currently available information about license holders and allocation in the financial years 2014-2015 and 2015-2016 and assess the completeness and timeliness of the information;
- propose a definition and a mechanism for reporting and disclosure of beneficial ownership, consistent with EITI Requirements;
- advising MSG on how to review the audit and assurance procedures applied by companies and State-Owned Enterprises (SOEs) participating in the EITI reporting process in accordance with Requirement 5.2 (b);
- advising MSG and agreeing on the information that must be communicated by companies and SOEs to ensure the credibility of the data in accordance with Requirement 5.2 (c);
- advising MSG on how to agree on the disaggregation level to be applied to the data which will be published;
- review of major Corporate Social Responsibility (CSR) programmes and social development funds at state/regional level; and
- documenting the results of the initial phase in a scoping report which will be submitted for adoption by MSG.

Limitations to scoping work

- (i) The conclusions of our work have been based partially on data and information provided by government entities which have not been previously reconciled. Checking the reasonableness and accuracy of this information are part of the reconciliation exercise, not part of the scoping study.
- (ii) The statement of revenues communicated by MOGE for the fiscal years 2014-2015 and 2015-2016:
- include some payments described as “other income”. Therefore, we were not able to identify the type of these payments. These payments represent 0.08% and 0.23% of the total payments reported by MOGE for the fiscal years 2014-2015 and 2015-2016 respectively;
 - include some other payments with unclear description (Shwe Project, Shareholder Loan, Zaw Tika, OA surplus return to SEE C&F, MD salary, Zaw Tika, OA surplus return to SEE C&F, MD salary)). Therefore, we were not able to identify the related flow of payment. These payments represent 6% and 20% of the total payments reported by MOGE for the fiscal years 2014-2015 and 2015-2016 respectively;
 - include amounts of MMK 16.39bn and MMK 101.8bn for the fiscal years 2014-2015 and 2015-2016 respectively without providing the desegregation by companies. Therefore, we were not able to identify the companies which made these payments to MOGE. These payments represent 1% and 7% of the total payments reported by MOGE for the fiscal years 2014-2015 and 2015-2016 respectively; and
 - showed that no signature bonuses were received from the Oil and Gas companies in 2014-2015 while 8 companies paid signature bonuses in 2015-2016. Given the fact that 11 bidders were awarded 16 onshore blocks in October 2013 and 13 bidders were awarded 10 shallow water blocks and 10 deep water blocks in March 2014 and that the signature bonus should be paid no later than 30 days after the signature of the PSC, we emphasize that the statement of revenues reported by MOGE may not include all the signature bonuses related to the blocks awarded in 2013 and 2014.
- (iii) We understand that IRD reported all the revenues collected from extractive companies. However, the statement of revenues communicated by IRD for the fiscal years 2014-2015 and 2015-2016:
- include only payments of Income Tax (IT) and Commercial Tax (CT). The other taxes collected by IRD (i.e.; Capital Gains Tax and Withholding Tax) were not reported within the statement of revenues. Therefore, we were not able to perform a materiality analysis of the related revenues collected in 2014-2015 and 2015-2016;
 - showed nil payments of CIT and CT received from the Oil and Gas companies and Oil and Gas transportation companies in 2014-2015. Therefore, we were not able to perform a materiality analysis of the related revenues collected in 2014-2015;
 - showed that only 476 and 478 Gems and Jade companies made payments in 2014-2015 and 2015-2016 respectively while the statement of revenues reported by MONREC showed that 1,660 and 1,411 Gems and Jade companies made payments to MONREC during the same years. We understand that IRD do not hold a database for the extractive companies and that the revenues data was prepared on the basis of a list communicated by MONREC. Therefore, we emphasize the risk that the statement of revenues of IRD may not include all the payments of the Gems and Jade sector;
 - showed that only 37 other minerals companies made payments in 2014-2015 and 2015-2016 respectively while the statement of revenues reported by MONREC showed that 969 and 1038 other minerals companies made payments to MONREC during the same years. We understand that IRD do not hold a database for the extractive companies and that the revenues data was prepared on the basis of a list communicated by MONREC; Therefore, we emphasize the risk that the statement of revenues of IRD may not include all the payments of the mining sector

(iv) We understand that the Customs Department reported all the revenues collected from extractive companies. However, the statement of revenues communicated by the Customs department for the fiscal years 2014-2015 and 2015-2016:

- showed that only 53 and 50 Gems and Jade companies made payments in 2014-2015 and 2015-2016 respectively while the statement of revenues reported by MONREC showed that 1,660 and 1,411 Gems and Jade companies made payments to MONREC during the same years. We understand that the Customs Department do not hold a database for the extractive companies and that the revenues data was prepared on the basis of a list communicated by MONREC. Therefore, we emphasize the risk that the statement of revenues of Customs Department may not include all the payments of the Gems and Jade sector;
- showed that 25 and 27 other minerals companies made payments in 2014-2015 and 2015-2016 respectively while the statement of revenues reported by MONREC showed that 969 and 1038 other minerals companies made payments to MONREC during the same years. We understand that Customs Department do not hold a database for the extractive companies and that the revenues data was prepared on the basis of a list communicated by MONREC to the Customs Department; Therefore, we emphasize the risk that the statement of revenues of Customs Department may not include all the payments of the mining sector.

(v) We did not obtain the desegregated data (by licensee) of Gold in-kind revenue streams collected from small operators from the ME2 (under MONERC). Therefore, we were not able to perform a materiality analysis of the Gold in-kind revenues collected during 2014-2015 and 2015-2016

(vi) The statements of revenues obtained from the MONREC, IRD and Customs do not include the registration number of the companies. The names of some companies have been spelt differently from one government agency to another. These differences may be also due to the translation of these statements from Myanmar to English. Therefore, it would be very sensitive to compile these data using company names as minor errors in these names may affect the accuracy of the materiality analysis.

Due to these constraints, the analysis of the materiality threshold has been done separately for each Government Agency without compiling all the data.

Proposed scope

(i) Materiality approach

We understand that revenues collected from the extractive sector in Myanmar are received by MONREC and MoEE for specific payments (including all proportional levies to the production) and by MoPF for general taxation. We also understand that tax revenues collected by MoPF from private companies and SOEs operating in the extractive sector may relate to activities other than those of the extractive sector since mining companies are allowed to operate in several sectors according to the Myanmar regulation.

The customs department within MoPF is responsible for the collection of the Customs Duties and Commercial Tax.

Therefore, the materiality analysis was based on the statements of revenues provided by MOGE, MONREC, IRD and the customs department for the fiscal years 2014-2015 and 2015-2016.

Oil and Gas sector

Given the limited number of companies in Oil & Gas sector, we recommend to include all the operators in producing fields and exploration companies that have made payments to MOGE and IRD without applying a materiality threshold.

Furthermore, as the Myanmar law stipulates that each partner or participant in a hydrocarbon project is responsible for paying their own taxes, we recommend including all the partners in the producing fields in the reconciliation scope.

The statements of revenues received from MOGE showed that no signature bonuses were received from the Oil and Gas companies in 2014-2015 while only 8 companies paid signature bonuses in 2015-2016.

Given the fact that 11 bidders were awarded 16 onshore blocks in October 2013 and 13 bidders were awarded 10 shallow water blocks and 10 deep water blocks in March 2014 and that the signature bonus should be paid no later than 30 days after the signature of the PSC, we emphasize that the statement of revenues reported by MOGE may not include all the signature bonuses collected from the PSC signed in 2013 and 2014. As a prudent measure, we recommend to include all the companies which have been awarded Oil and Gas permits following the bid rounds of 2013 and 2014.

Oil and Gas transportation sector

Given the limited number of companies in Oil & Gas transportation sector, we recommend to include all the operators in the reconciliation scope without applying a materiality threshold.

Gems and Jade and other minerals sector

The statements of revenues obtained from the above government agencies do not include the registration number of the companies. The names of some companies have been spelt differently from one government agency to another. These differences may be also due to the translation of these statements from Myanmar to English. Therefore, it would be very sensitive to compile these data using company names as minor errors in these names may affect the accuracy of the materiality analysis.

Due to these constraints, the analysis of the materiality threshold has been done separately for each Government Agency without compiling all the data.

We recommend to include the companies which the total payments cover at least 80% of the total payments to MONREC, IRD and the customs department in 2014-2015 and 2015-2016.

Due to the lack of disaggregated data on Gold in kind revenues and given the limited number of companies which made in-kind payments to ME2, we recommend to include all identified companies to the reconciliation scope 2014-2015 and 2015-2016.

Based on the above we recommend the following approach for the EITI scope:

(i) Recommended scope

Based on the above, we recommend to:

- include all the revenues streams identified through the review of legislation without applying a materiality threshold;
- include all the operating companies in producing fields and exploration companies which made payments to MOGE in 2014-2015 and 2015-2016 without applying a materiality threshold.
- Include all the partners In Oil and Gas producing fields in 2014-2015 and 2015-2016;
- Include all the Oil and Gas companies which have been awarded Oil and Gas permits following the bid rounds of 2013 and 2014.
- Include all the operators in the Oil and Gas transportation sector in 2014-2015 and 2015-2016 without applying any materiality threshold.
- based on an analysis of non-tax revenue streams supplied by MONREC for the Gems and Jade subsector, materiality thresholds of Kyats 0.3 billion and Kyats 0.5 billion would cover 81% and 82% of the total payments to that subsector in 2014-2015 and 2015-2016 respectively.
- based on an analysis of non-tax revenue streams supplied by IRD for the Gems and Jade subsector, materiality thresholds of Kyats 0.25 billion and Kyats 0.15 billion would cover 80%

and 82% of the total payments to the Gems & Jade subsector in 2014-2015 and 2015-2016 respectively.

- based on an analysis of non-tax revenue streams supplied by the customs department for the Gems and Jade subsector, materiality threshold of Kyats 1.5 billion and Kyats 0.5 billion would cover 83% and 91% of the total payments to that subsector in 2014-2015 and 2015-2016 respectively.
- based on an analysis of non-tax revenue streams supplied by MONREC for the other minerals subsector, a materiality threshold of Kyats 0.25 billion would cover 83% and 88% of the total payments to the Gems and Jade subsector in 2014-2015 and 2015-2016 respectively.
- based on an analysis of non-tax revenue streams supplied by IRD for the other minerals subsector, materiality thresholds of Kyats 5 million and Kyats 10 billion would cover 82% and 86% of the total payments to the other minerals subsector in 2014-2015 and 2015-2016 respectively.
- based on an analysis of non-tax revenue streams supplied by the customs department for the other minerals subsector, a materiality threshold of Kyats 0.25 billion would cover 83% and 82% of the total payments to the Gems & Jade subsector in 2014-2015 and 2015-2016 respectively
- Include all these companies which made Gold in-kind payments to the reconciliation scope 2014-2015 and 2015-2016.
- based on an analysis of the in-kind (Tin, Tungsten, Mixed Ore), revenue streams supplied by ME2 for the other minerals subsector, materiality thresholds of 80 MT and Kyats 17 MT would cover 80% of the total in kind payments to the other minerals in 2014-2015 and 2015-2016 respectively.
- include all SEEs in the reconciliation scope without applying a materiality threshold;
- include all payments and transfers made by the MONREC and MoEE to MoPF regardless whether they are recorded in the budget accounts or in off-budget accounts; and
- include the revenues collected for companies which have made payments below the proposed materiality thresholds through the unilateral disclosure of Government Agencies in accordance with EITI Requirement 4.2.b.

Recommended scope of the 2014-2015 EITI Report

(i) Extractive companies

Hydrocarbon sector

Based on the materiality approach detailed above, we identified 37 Oil and Gas companies which may form part of the reconciliation exercise for the EITI Reports 2014-2015 and 2015-2016.

		Company	FY 2014-2015	FY 2015-2016
SOE	1	MOGE (*)	✓	✓
	2	Petronas Carigali Hong Kong Ltd (PCML) (*)	✓	✓
	3	TOTAL (*)	✓	✓
Operators in producing fields	4	Daewoo International Corporation (*)	✓	✓
	5	PTT Exploration & Production (*)	✓	✓
	6	Goldpetrol Co Ltd (*)	✓	✓
	7	MPRL E&P Pte Ltd (*)	✓	✓
Partners in the producing fields	8	Nippon Oil (*)	✓	✓
	9	PTTEP International Ltd.	✓	✓
	10	ONGC Videsh Ltd (*)	✓	✓
	11	Gail JJ India Ltd (*)	✓	✓
	12	Korea Gas Corporation (*)	✓	✓

	Company	FY 2014-2015	FY 2015-2016
	13 Unocal Myanmar Offshore Co., Ltd (*)	✓	✓
	14 Petronas Carigali Myanmar Inc (PCMI) (*)	✓	✓
	15 Geopetrol International Holding Inc	✓	✓
	16 Jubilant Oil & Gas Pte.Ltd	✓	✓
	17 PTTEP South Asia Ltd	✓	✓
	18 IsTech Energy EP5 Pte	✓	✓
	19 Asia Orient International Ltd	✓	✓
Operators in exploration phase	20 CNPC International Ltd	✓	✓
	21 SNOG Pte Ltd (*)	✓	✓
	22 Eni Myanmar BV	✓	✓
	23 Central Asia Oil and Gas (CAOG) Pte. Ltd	✓	✓
	24 Pacific Hunt Energy Corporation	✓	✓
	25 Bashneft International B.V	✓	✓
	26 Brunei National Petroleum Co	✓	✓
	27 Petrovietnam Exploration Production Corporation	✓	✓
	28 Oil India Ltd	✓	✓
	29 Ophir Myanmar Ltd	✓	✓
	30 Barlanga Myanmar Pte. Ltd.	✓	✓
	31 Shell Myanmar Energy Pte.Ltd	✓	✓
Operators awarded O&G Blocks in 2014 and 2015 (in Study phase)	32 BG Exploration & Production Myanmar Pte. Ltd.	✓	✓
	33 Woodside Energy (Myanmar) Pte. Ltd.	✓	✓
	34 CFG Energy Pte.Ltd.	✓	✓
	35 Reliance Industries Ltd	✓	✓
	36 Statoil Myanmar Pte. Ltd.	✓	✓
	37 Tap Energy Pte. Ltd.	✓	✓

(*) Included in the MEITI reconciliation scope 2013-2014

Transport of Oil and Gas

Given the limited number of operators, we recommend to include all the entities without applying a materiality threshold. On this basis, 5 oil and gas transportation companies will be included in the reconciliation scope and will form part of the reconciliation exercises both 2014-2015 and 2015-2016 EITI Reports. These companies are presented as follows:

Company	FY 2014-2015	FY 2015-2016
Andaman Transportation Limited (ATL)	✓	✓
Moattama Gas Transportation Company (MGTC)	✓	✓
Taninthayi Pipeline Company (TPC)	✓	✓
South-East Asia Gas Pipeline Co (SEAGP)	✓	✓
South East Asia Crude Oil Pipeline Co, Ltd (SEACOP)	✓	✓

Mining sector

2014-2015

Based on the materiality approach detailed above, we identified 144 Gems & Jade companies which may form part of the reconciliation exercise for the EITI Reports 2014-2015, detailed as follows:

Gems and Jade companies proposed for the reconciliation scope 2014-2015	
Myanmar Win Gate Gems & Jewellery Mining	Kyay Lin
Sein Lom Taung Tan Gems Ltd. (*)	Kyaw Thet Aung
Yar Za Htar Ne Gems Co;Ltd. (*)	Two Horse Gems Co;Ltd.
Myanmar Imperial Jade(Gems & Jewellery) (*)	Kyi Lá Sein
Wai Aung Gabar Gems Co; Ltd. (*)	Pyi Yadana Gems Ltd.
Ayar Jade Co; Ltd.	Lucky King Jade Co;Ltd.
Myat Yamon Gems Co;Ltd. (*)	Thiha & Three Brothers Gems & Jewellery
Kyauk Seinn Nagar (Gems) (*)	Shwe Myint Myat Kyaw Gems
Myanmar Sithu Jewellery (*)	National Prosperity Gems
Linn Lett Win Yadanar Gems (*)	Myanmar Mighty Star Gems
Yadanar Taung Tann Gems (*)	Khaing Lon Gems Co;Ltd.
Khin Zaw Aung & Brothers Gems & Jewellery (*)	SEIN THURA SAN GEMS COMPANY
Shwe Gaung Gems	Kyauk Gyi Gone Gems
Xie Family (*)	Wai Family Gems Co;Ltd. (*)
Great Genesis Gems Co; Ltd. (*)	Sein Oo Yadanar Gems
Richest Gems Co;Ltd. (*)	Lucky Star Jade Group
Kyaing International Gems (*)	Theint Win Htet Gems
Phyo Thiha Kyaw Gems	Shwe Pyi Tha Gems Trading & Faceting
Myanma Gon Yi Gems & Jewellery	Law Lu Gems & Jade Excavation &
Kyaw Naing & Brothers	Nay La Pwint Gems Co; Ltd. (*)
Kyay Sin Phyu	Shwe Khit Nay Pyi Taw Gems &
Khun Pa-Oh Gems & Jewellery	Tun Tauk Sa Gems
Kachin National Development	Zwe Htet Lwin Gems &
Silver Elephant Gems	Hole In One Gems Co;Ltd.
Myo Nwe Gems & Jewellery	Myanmar Imperial Jade + Chievers+Saung Tar Yar Kyei
Shining Star Light Gems & Jewellery (*)	Kyaw Zaw Lin Yadanar
Myanma Seinn Lei Aung Gems	Yadanar Lin San
Myanmar Naing Group	Daw Htay Htay(Share)
Pho Thar Htoo Gems Co; Ltd.	Jade Power Co;Ltd.
RUBY DRAGON JADE & GEMS Co.,Ltd	San Taw Win Gems & Jewellery
Thi Raw Mani Gems & Jewellery (*)	Khaun Poee
Jade Mountain Gems Co;Ltd. (*)	Moon Light Gems
HTOO JEWELLERY CO.,LTD.	Linn Htet Aung Gems
Ngwe Hein Htet Gems & Jewellery	Green Friend Gems &
Lyan Shan Jewellery Co; Ltd.	Green Soda Gems Co; Ltd.
Yadanar Pyi Phyo Aung Gems And Jewellery Co; Ltd.	Shwe Byain Phyu Gems Co., Ltd.
PAING PHYO THIHA GEMS	Archer Gems & Jewellery Co;Ltd.
EIGHTY THOUSAND GEMS & JEWELLERY Co;Ltd	Myanma Gon Yi + Kyauk Sein Win
Tun Naing Aung Gems	Yadanar Moe Myay Gems Co.,Ltd.
U Kyaw Min Naing(private)	Yadanar Young Chi (*)

Gems and Jade companies proposed for the reconciliation scope 2014-2015	
Chaow Brothers Gemstone	YADANAR SHWE YI WIN GEMS Co;Ltd.
Mann Ayer Family Co.,Ltd.	Myanmar Imperial Jade + Xie Family
(1.1.1) Gems & Jewellery (*)	Aung Hein Min Gems Co; Ltd. (*)
Oo Ya Gems & Jewellery Co;Ltd.	Myanmar ruby interprise
Yaza Htarne	Kyi Wai Yan
Myanmar Economics Corporation	Tha Lun Kyaw Gems & Jewellery
Pang Huke Duwa Co; Ltd.	Unity Gems Co;Ltd.
Ever Winner Gems (*)	Kan Tha Oo Gems & Jewellery
Than Lwin Aye Yar Gems Co., Ltd.	Yadanar Aung Chan Gems & Jewellery Co; Ltd.
Jade Padathar Gems + Shwe Gaung Gaung Gems	Kan Thar Yar
Khine Myanmar Gems Co;Ltd.	Golden Grate Wall Gems
Kan Pwint Oo	New Jade International
KHA YANN MYAY GEMS	Phyo Pyae Som Gem Co.,Ltd
Kan Par Ni Gems & Jewellery Co.,Ltd.	Yun Shwe Yee Gems Co., Ltd
Phar Kant Yar Zar Gems & Jewellery Co.,Ltd	Game GemstoneCo;Ltd
Lin Yaung Phyar Gems Co.,Ltd	Chang Long Gems Co.,Ltd
Kaung Wai Yan Gems Co, Ltd	Shwe Kyauk Seinn Yadanar Co.,Ltd
Yadanar San Shwin Gems Co., Ltd	Su Latt Mon Co.,Ltd
Thirawmani Gems & Jewellery Co.,Ltd	Top Flight Co.,Ltd
Yadanar Kaung Kin Gems & JewelleryCo;Ltd	Aung Aung Naing Naing Co.,Ltd
Big Jade Gems Co.,Ltd.	Wint Phoo Gems Co.,Ltd
Golden Wallet Jewellery Co.,Ltd	Saint San Gems & Jade Co;Ltd
Mingalar Royal Jadeite & Art Co.,Ltd	Gold Jade Gems Co.,Ltd
Treasure White Lotous Gems.,Co, Ltd	Myanmar Thura Gems Co.,Ltd
Shwe Wah Myay (MDY) Gems& Jewellery Co.,Ltd.	Myit Sone Ayar Gems Co.,Ltd
Ye Lwin Oo Gems Co.,Ltd	Nan Oo Yadanar Gems Co;Ltd
Wealthy Nation Jade Group Co.,Ltd	Asia Capital Management Group Co.,Ltd
Myanmar Ta Kaung Gems Co.,Ltd	Mega Star Jewel Co;Ltd
Golden Light Gems Co.,Ltd.	Myanmar Sport Light Gems Co.,Ltd
Star 67 Jade & Gems Co;Ltd	Lonh Hai Production & Trading of Gemstone Co.,Ltd
Green Light Treasure Co.,Ltd	Phyo Winner Jade Co.,Ltd
Will Power Jade Co.,Ltd	NILAR YOMA TRADING

(*) Included in the MEITI reconciliation scope 2013-2014

For the other minerals subsector and based on the materiality approach detailed above, we identified 29 companies which may form part of the reconciliation exercise for the EITI Reports 2014-2015, detailed as follows:

N°	Company	Type of mineral
1	Myanmar CNMC Nickel Co; LTD (*)	Ferronickel
2	Myanma Economic Corporation	Copper/Gypsum
3	Ruby Dragon Mining Co., Ltd.	Gypsum
4	Shwe Taung Mining Co., Ltd.	Lime Stone Coal
5	NgweYi Palae Mining Co.,Ltd (*)	Lime Stome
6	Win Myint Mo Industries Co.,Ltd (*)	Lead /Zinc concentrate
7	Tha Byu Mining Co.,Ltd (*)	Antimony Ore
8	GPS Joint Venture Co., Ltd. (*)	Lead Concentrate

N°	Company	Type of mineral
9	Electrum Mining Co; Ltd	Iron
10	Max Myanmar Industry Co;.,Ltd (*)	Lime Stone
11	Htoo International Industrial Gorup Co.,Ltd	Lime Stone / Coal
12	Tun Thwin Mining Co., Ltd	Coal
13	Shwe Moe Yan Co.,Ltd	Lead/Ore
14	Myanmar Yang Tse Copper Ltd (*)	Copper
15	Sea Sun Star Mining Production & Marketing Co.,Ltd	Gold
16	Eastern Mining Co.,Ltd	Tin & Tungsten
17	Swan Yadanar Htay Mining Co;Ltd	Gold
18	Swan Min Htet Mining Co;Ltd	Gold
19	Aung Brother Mining Co;Ltd	Tin & Tungsten
20	Eternal Mining Co., Ltd (*)	Gold
21	National Prosperity Gold Production Group Ltd.	Gold
22	Geo Asia Industrial and Mining Co., Ltd.	Gold
23	Myanmar Golden Point Family Co., Ltd.	Gold
24	THAN TAW MYAT CO,LTD	Lime Stone
25	BAGAN BUSINESS GROUP	Antimony
26	Delco Co.,Ltd (*)	Tin/ Tungsten Mixed Ore
27	Myanmar Pongpipat Co.,L td (*)	Tin/ Tungsten Mixed Ore
28	Kayar Mine Production Co., Ltd	Tin/ Tungsten/Sheelite/Mixed
29	Ye Htut Kyaw Mining Co.,Ltd	Tin/Tungsten Sheelite/Mixed

(*) Included in the MEITI reconciliation scope 2013-2014

2015-2016

Based on the materiality approach detailed above, we identified 132 Gems & Jade companies which may form part of the reconciliation exercise for the EITI Reports 2015-2016, detailed as follows:

Gems and Jade companies proposed for the reconciliation scope 2015-2016

Great Genesis Gems Co; Ltd. (*)	Thiha & Three Brothers Gems & Jewellery
Sein Lom Taung Tan Gems Ltd. (*)	Emerald Garden
Wai Aung Gabar Gems Co; Ltd. (*)	Shwe Gaung Gaung Gems
Ayar Jade Co; Ltd.	Yadanar Sin Thiri Gems
Shwe Pyi Tha Gems Trading & Faceting	Kaung Swan Htet
Kyaing International Gems (*)	Yaza Htarne
Linn Lett Win Yadanar Gems (*)	RUBY DRAGON JADE & GEMS Co.,Ltd
Richest Gems Co;Ltd. (*)	Kan Sein Pwint
Myat Yamon Gems Co;Ltd. (*)	Lin Latt Win
Yadanar Taung Tann Gems	Kan Thar Yar
Khin Zaw Aung & Brothers Gems & Jewellery (*)	Kan Par Ni
Yar Za Htar Ne Gems Co;Ltd. (*)	Shwe Khit Nay Pyi Taw Gems &
Kachin National Development	Kyay Ta Khon Sein
Myanmar Imperial Jade(Gems & Jewellery) (*)	Lyan Shan Jewellery Co; Ltd.
Myo Nwe Gems & Jewellery	Seng Taung Gems & Jewellery
Shining Star Light Gems & Jewellery (*)	Galaxy Jade & Gems
Khun Pa-Oh Gems & Jewellery	Golden Grate Wall Gems
Jade Mountain Gems Co;Ltd. (*)	National Prosperity Gems
Phyo Thiha Kyaw Gems	Kyi Lá Sein
Silver Elephant Gems	Shwe Eain Si Gems &

Gems and Jade companies proposed for the reconciliation scope 2015-2016

Yadanar Yaung Chi Gems Co;Ltd. (*)	Will Power Jade Co;Ltd.
Myanmar Sithu Jewellery (*)	Kyaw Tet Aung
Pang Huke Duwa Co; Ltd.	Myanmar Naing Group
Kyay Sin Phyu	Myanmar Rich Land Gems
SEIN THURA SAN GEMS COMPANY	Shwe Wah Myay (Mandalay) (*)
Lucky Star	Jade Hourse
San Taw Win Gems & Jewellery	Shwe Tun Win Co; Ltd.
Myanma Gon Yi Gems & Jewellery	Wai Family Gems Co;Ltd. (*)
Kan Pwint Oo Gems & Jewellery	Win Lei Aung
Green Comet Gems	Global Sun Light Gems
Thi Raw Mani Gems & Jewellery (*)	Shwe Pyae Shan
Myanma Seinn Lei Aung Gems	Kyaw Zaw Lin Yadanar
Nay La Pwint Gems Co; Ltd. (*)	Kyi Wai Yan
Myanmar Win Gate Gems & Jewellery Mining	Aung Aung Naing Naing Gems
Khaing Lon Gems Co;Ltd.	Lei Oo
Chaow Brothers Gemstone	A one Brothers Gems & Jewellery
Kyay Lin	Chang Long Gems & Jewellery
Ayar Yadanar	Pyae Yadanarmon Gems
Kaung Myat Thukha	Kaung Su Wai Hlyan Gems
Unity Gems Co;Ltd.	Khine Myanmar Gems Co.,Ltd
Yadanar Kaung Kin Gems & Jewellery Co;Ltd	Lin Yaung Phyar Gems Co.,Ltd
Mega Stone Co;Ltd	Hla Yadanar Shin Co.,Ltd.
Yadanar San Shwin Gems Co;Ltd	Pho Thar Htoo Gems Co.,Ltd
Golden Wallet Jewellery Co.,Ltd	(1.1.1) Gems & Jewellery Co.,Ltd.
Green Light Treasure Co.,Ltd	Mingalar Royal Jadeite & Art Co.,Ltd
Xie Family Co.,Ltd	Su Latt Mon Co.,Ltd
Kyauk Sein Nagar(Gems) Co.,Ltd	Bayani Gems Co.,Ltd
Su Htu Pan Gems & Jewellery Co;Ltd	Yadanar Aung Chan Gems & Jewellery Co.,Ltd
Zebu Thiri Gems Co;Ltd	Shwe Ywet Hlwar Gems Co.,Ltd
Tun Tauk Sa Gems Co; Ltd	Aung Hein Min Gems Co.,Ltd
Thein Gabar Aung Gems Co;Ltd	Tha Lon Kyaw Gems & Jewellery Co;Ltd
Pyi Yadanar Gems	Oo Ya Gems & Jewellery Co.,Ltd
Gold Jade Gems Co.,Ltd	Myanma Seinn Co., Ltd
Myanmar Mighty Star Gems Co.,Ltd	Gandawin Gems Garden Co.,Ltd
Sein Oo Yadanar Gems Co.,Ltd.	Wealthy Nation Jade Group Co.,Ltd
Hole In One Gems Co.,Ltd	Myit Sone Ayar Gems Co.,Ltd
King Gems & Jewellery Co., Ltd	Myint Sone Ayar Gems Co.,Ltd
Kyauk Gyi Gone Gems & Jewellery Co., Ltd	Thet Hein Gems & Jewellery Co.,Ltd
Golden Light Gems Co.,Ltd.	Bright Jade Co.,Ltd
Farmer Phoyarazar Gems Co.,Ltd	Sein Nan Thar Gems Co.,Ltd
Zwe Htet Lwin Gems & Jewellery Co.,Ltd	Great Yarzar Gems & Jewellery Co., Ltd
Asia Capital Management Group Co.,Ltd	Yadanar Moe Myay Gem Co.,Ltd
Myanmar Ruby Enterprise Limited	Hein Aung Lin Htet Jade Co,ltd
Aung Aung Naing Naing Gems Co,Ltd	Nay Chi Yadanar Co.,Ltd
NILAR YOMA TRADING	THAN LWIN SHWE MYAY
NAY MIN KABAR GEMS&J	AUNG HEIN MIN GEMS

(*) Included in the MEITI reconciliation scope 2013-2014

For the other minerals subsector and based on the materiality approach detailed above, we identified 28 companies which may form part of the reconciliation exercise for the EITI Reports 2015-2016, detailed as follows:

N°	Company	Type of mineral
1	San Na DiCo. Ltd.	Iron Ore
2	Myanmar CNMC Nickel Co; LTD (*)	Ferronickel
3	Ruby Dragon Mining Co., Ltd.	Lead
4	Thein Than Mining Co.,Ltd.	Lead Zinc
5	Shwe Sapar Mining Co.,Ltd.	Antimony Mineral
6	Cornerstone Resources Myanmar Co.	Zinc
7	Myanmar Golden High Land Mining Co.,Ltd.	Lead Ore
8	Win Myint Mo Industries Co.,Ltd. (*)	Lead /Zinc concentrate
9	Ngwe Yi Pale Mining Co., Ltd (*)	Lime Stone
10	Shwe Taung Mining Co., Ltd.	Lime Stone / Coal
11	Tha Byu Mining Co.,Ltd (*)	Antimony Ore
12	Myanmar Golden Point Family Co.,Ltd	Gold
13	Myanmar Economic Corporation	Gypsum
14	Max Myanmar Co., Group. (*)	Lime Stone
15	Than Taw Myat	Lime Stone
16	Myanmar Yang Tse Copper Ltd (*)	Copper
17	Swan Min Htet Mining Co;Ltd	Gold
18	Sea Sun Mining Production & Marketing Co.,Ltd	Gold
19	Eastern Mining Co.,Ltd	Tin & Tungsten
20	National Prosperity Gold Production Group Ltd.	Gold
21	Shwe Moe YanCo., Ltd.	Gold
22	Eternal Mining Co., Ltd (*)	Gold
23	Geo Asia Industrial and Mining Co., Ltd.	Gold
24	Myanmar Pongpipat Co.,L td (*)	Tin/ Tungsten mixed Ore
25	Delco Co.,Ltd (*)	Tin/ Tungsten Mixed Ore
26	Kayar Mine Production Co., Ltd	Tin/Tungsten Sheelite/ Mixed
27	Ye Htut Kyaw Mining Co.,Ltd	Tin/Tungsten Sheelite/ Mixed
28	A&A, Natural Resources Development Co,Lt d	Tin/ Tungsten Mixed Ore

(*) Included in the MEITI reconciliation scope 2013-2014

(ii) Payment flows

Based on our scoping study for the sectors selected (hydrocarbons, mining, oil transportation and quarries) for the 2014-2015 and 2015-2016 reconciliation, the payment flows that will be included in the reconciliation scope are detailed in the annex 1 of this report.

Government entities

Based on the scoping study of extractive companies and payments flows selected for 2014-2015 and 2015-2016, nine (9) Government Agencies and six (6) SOEs would be solicited to send their Reporting Templates as follows:

Government Entities	
Ministry of Electricity and Energy (MoEE)	
1.	OGPD (formely EPD)
Ministry of Natural Resources and Environmental Cosnervation (MONREC)	
2.	DOM
3.	DGSE
4.	Forest Department
Ministry of Planning and Finance (MoPF)	
5.	IRD
6.	Customs Department
7.	Budget Department
8.	Treasury Department
SOEs	
1.	Myanmar Oil and Gas Enterprise (MOGE)
2.	N°1 Mining Enterprise (ME1)
3.	N°2 Mining Enterprise (ME2)
4.	N°3 Mining Enterprise (ME3)
5.	Myanmar Gems Enterprise (MGE)
6.	Myanmar Pearl Enterprise (MPE)
Central Committee	

(iii) Declaration Forms – EITI 2014-2015 and 2015-2016

The data and information categories to be disclosed in the Reporting Templates and presented in Annex 1 of this report for disclosure in respect of the 2014-2015 and 2015-2016 fiscal years are summarised in the table below:

Sheet N°	Reporting templates	Reporting entities		
		Extractive companies	SOEs	Government entities
1	Data Sheet	✓	✓	n/a
2	Declaration Forms	✓	✓	✓
3	Payments Flow details	✓	✓	✓
4	Exports / Sales Details	✓	✓	✓
5	Production	✓	✓	✓
6	Transport	✓	✓	n/a
7	Capital structure/Beneficial ownership	✓	✓	n/a
8	Public Participation	n/a	✓	✓

Sheet N°	Reporting templates	Reporting entities		
		Extractive companies	SOEs	Government entities
9	Social Payments Details	✓	✓	n/a
10	Quasi fiscal expenditures	n/a	✓	n/a
11	Register of license	n/a	n/a	✓
12	Licenses/Permits allocation	n/a	✓	✓
11	Transactions/Infrastructure provisions and barter arrangements	✓	✓	✓
12	Loans /Loan guarantee granted to Entities operating in extractive sector	n/a	✓	MONREC/MoPF

(iv) Reliability and Credibility of Data

In order to comply with EITI Requirement 5 which aims to guarantee the credibility of the data submitted by reporting entities, we make the following proposals:

For companies

The recommended process for companies submitting their EITI templates is as follows:

- the completed template is signed by the Chief Financial Officer or Chief Executive Officer;
- the template is stamped using the company stamp;
- audited financial accounts are included with the template submission; and
- the company's external auditors provide a signed declaration that the audit report was prepared on the accrual-basis and is consistent with the declarations made on the cash basis in the company's template as required by EITI standards and that the audited report was prepared in accordance with international auditing standards.

For Government Agencies

The recommended process for Government Agencies submitting their EITI templates is as follows:

- the completed template is to be signed by the Head of the Agency;
- the template must be stamped using the organisation's official seal;
- the Auditor General should provide a signed declaration which confirms that the Government Agency's template complies with the data included in its Annual Report, and that this report itself has been audited, while following International Auditing Standards.

(v) Level of disaggregation

With regards to the level of disaggregation to be applied to the data, we recommend that the EITI data is presented by mining company, by Government Agency and payment flow.

(vi) Acceptable discrepancy margin

We recommend to set the final acceptable discrepancy which will result from the reconciliation between the reporting templates of the extractive companies and those of the Government Agencies/SOEs at the rate of 2% of the total revenues declared by the Government Agencies/SOEs.

Furthermore, as part of the reporting template finalisation, we recommend to set a variance threshold of Kyats 5 million to be used as an acceptable level of effort to spend in attempting to resolve discrepancies. In the cases where the reported revenue data from governmental bodies does not agree with the company's reported payment data, and the discrepancies are at or below the variance threshold established by the MSG, the EITI reconciler will conclude that the discrepancies are not material to the MEITI Report.



Tim Woodward
Partner
Moore Stephens LLP

150 Aldersgate Street
London EC1A 4AB

December 2017

1. INTRODUCTION

1.1 Extractive Industries Transparency Initiative (EITI)¹

The Extractive Industries Transparency Initiative (EITI) is a global Standard to promote open and accountable management of natural resources. It seeks to strengthen government and company systems, inform public debates and enhance trust. In each implementing country, it is supported by a coalition of governments, companies and civil society organisations working together.

The Extractive Industries Transparency Initiative (EITI) was first announced at the World Summit on Sustainable Development in Johannesburg in 2002 (the Earth Summit 2002) and was officially launched in London in 2003. EITI is currently being implemented in 48 countries in Africa, Asia, Europe and America.

The EITI Standard sets out of the requirements which countries need to meet in order to be recognised, first as EITI Candidates and subsequently as EITI Compliant country. The Standard is overseen by the International EITI Secretariat, with which comprises members from governments, extractive companies and civil society organisations.

1.2 EITI in Myanmar

Myanmar joined EITI on instructions from its President at the end of 2012. Myanmar submitted its application to become 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, and granted Myanmar until January 2016 to produce its first EITI Report.

Myanmar published its first EITI report for the period from April 2013 to March 2014 in December 2015.

On 19 December 2016, the Union Government formally appointed the Myanmar EITI Leading Committee composed of the Minister of Planning and Finance (MOPF) as Chair, the Minister of Natural Resources and Conservation and the Minister of Energy and Electricity as members, and the Deputy Minister of MOPF as Secretary. The Renaissance Institute was appointed as the National Coordination Office. Civil society is represented by nine members of the Myanmar Alliance for Transparency and Accountability (MATA), while industry is represented by members of the Myanmar Federation of Mining Associations (MFMA), Myanmar Gems and Jewellery Entrepreneurs Association (MGJEA), Myanmar Forest Products Federation (MFPMF), and oil and gas companies. The government has seven representatives.

On 7 March 2017, the EITI International Board approved MEITI's request for extension of deadlines, setting 31 March 2018 as the deadline for the publication of the second EITI Report, and 1 July 2018 as the commencement date for their Validation.

¹ Source: <https://eiti.org/eiti>

2. OBJECTIVES, APPROACH AND METHODOLOGY

2.1 Objectives

The objective of the report is to clearly define the scope of the EITI reporting process, the Reporting Templates, the data collection process and the publication schedule of the EITI report, in accordance with the EITI Standard (Version 2016) and the objectives agreed by MSG and its expectations.

The EITI scope approved by MSG provided the basis for the design of Reporting Templates to be used by reporting entities for communicating payments and receipts relating to the extractive sector for the periods from April 2014 to March 2015 and from April 2015 to March 2016.

The determination of the reconciliation scope consists in particular to:

- identify significant revenue streams from mining, oil transportation and hydrocarbon sectors;
- identify extractive companies which are required to prepare and submit a Reporting Template;
- identify Governments Entities which are required to prepare and submit a Reporting Template;
- prepare a Reporting Template to be completed by the reporting entities; and
- ensure that data submitted by reporting entities is credible.

2.2 Approach

2.2.1 Opening meeting

Our fieldwork started on 24 July 2017 with a meeting with the EITI National Coordination Secretariat during which we were able to:

- follow up documents requested before the commencement of the fieldwork;
- define a work plan for the scoping study and reconciliation exercise;
- discuss the EITI framework and review the objectives; and
- schedule all interviews to be carried out with key Government Agencies and company representatives.

2.2.2 Meetings with stakeholders

We conducted interviews with key government officials between 24 July and 2 August 2017.

During these meetings, we were able to obtain an understanding of the regulatory and fiscal frameworks of the extractive sector, the revenue collection process and key events that may have occurred during the periods from April 2014 to March 2015 and April 2015 to March 2016, including important exploration activities.

Accordingly, the Government Entities, Private Companies and Civil Society Entities contacted were:

Government entities	
Ministry of Planning and Finance (Deputy Minister)	Internal Revenue Department - IRD (Ministry of Planning and Finance)
Ministry of Electricity and Energy (MOEE)	Budget Department (Ministry of Planning and Finance)
Ministry of Natural Resources and Environmental Conservation	Treasury Department (Ministry of Planning and Finance)
Oil & Gas Planning Department – OGPD (Ministry of Electricity and Energy)	Customs Department (Ministry of Planning and Finance)
Myanmar Oil & Gas Enterprise-MOGE (Ministry of Electricity and Energy)	The Office of the Auditor-General
Central Statistical Organization (CSO)	Directorate of Investment and Company Administration (DICA)
Private Sector	
Total	Petronas
Daewoo	Myanmar Federation of Mining Association (MFMA)

CSO

Myanmar Alliance for Transparency and Accountability (MATA)

Natural Resource Governance Institute (NRGI)

2.2.3 Closing meeting

We finished this first phase of our fieldwork by holding a meeting with the National Coordination Secretariat on 2 August 2017. During that meeting, we presented our preliminary findings and details of the missing information required to complete the work.

The missing information that were received after the closing meeting have been taken into account in the preparation of this report.

2.3 Methodology adopted

2.3.1 Data collection

In addition to interviews with the entities listed above, we obtained data from them, which formed the basis of our scoping study for the mining sector in Myanmar. These documents and their sources are presented as follows:

Documents / Data	Source
The Investment Law of 2015	National Coordination Secretariat
The Burma Companies Act	National Coordination Secretariat
The State-owned Economic Enterprises Law	National Coordination Secretariat
2014 Budget Law	Ministry of Planning and Finance
2015 Budget Law	Ministry of Planning and Finance
The Commercial Tax Law 2015	Internal Revenue Department
The Taxation of the Union Law, 2015	Internal Revenue Department
The Taxation of the Union Law, 2016	Internal Revenue Department
Revenues received from Large Tax Payers during the Years 2014-2015 and 2015-2016 detailed by company and by revenue type	Ministry of Electricity and Energy- MOGE
The Law Amending the Myanmar Mines Law	Ministry of Natural Resources and Environmental Conservation
The Myanmar Mines Law	Ministry of Natural Resources and Environmental Conservation
The Myanmar Pearl Law	Ministry of Natural Resources and Environmental Conservation
The Myanmar Pearl Rules	Ministry of Natural Resources and Environmental Conservation
Annual Financial Report_FY14-15	Ministry of Planning and Finance
Annual Financial Report_FY15-16	Ministry of Planning and Finance
Revenues received from the extractive companies during the Years 2014-2015 and 2015-2016 detailed by company and by revenue type	Ministry of Natural Resources and Environmental Conservation
Updated list of State Owned Companies	Ministry of Planning and Finance
Revenues and Expenditures of SOEs	Ministry of Planning and Finance
Financial Statements of SOEs	Ministry of Planning and Finance
Statistics on the production of mineral and precious stones, export of mineral and precious stones and export/import by commodities	Central Statistical Organisation (CSO)
Selected Monthly Economic Indicators - March 2015	Central Statistical Organisation (CSO)
Statistics on reserves of Oil and Gas	Ministry of Electricity and Energy - MOGE
List of all extractive companies holding petroleum rights	Ministry of Electricity and Energy - MOGE
Revenues received from the extractive companies during the Years 2014-2015 and 2015-2016 detailed by company and by revenue type	Ministry of Electricity and Energy - MOGE
Total production volume and value of production for the Year Ended 31 March, 2014 detailed by commodity and by company	Ministry of Electricity and Energy - MOGE

Documents / Data	Source
Total export volumes and the value of oil/gas and solid minerals exports the Years 2014-2015 and 2015-2016 detailed by commodity and by company	Customs
List of all extractive companies holding mining and petroleum rights	Directorate of Investment and Company Administration

2.3.2 Analysis of legal and tax documents

We examined all the documents collected in order to identify:

- taxes and charges payable by extractive companies;
- payments and sub-national transfers between SOEs and sub-national entities;
- nature and basis of the taxes and charges payable by extractive companies;
- mining titles in force and the beneficial holders;
- tax collecting entities;
- bartering arrangements and payments in kind; and
- audit and assurance practices applicable to extractives companies and Government Agencies involved in the reporting process.

2.3.3 Compilation of statistics on the extractive industries

In order to identify all payment flows and public and private entities of the extractive sector, we performed the following:

- an analysis of the revenues streams flowing from the extractive sector to Government Agencies;
- consolidation of revenues received by flow and by entity; and
- calculation of the materiality threshold of each payment flow and each entity with regard to the extractive sector's total revenue.

2.3.4 Definition of the EITI scope

The scoping report sets out the areas to be covered, the payment flows to be reported, the extractive companies and the Government Agencies which have been selected to submit a Reporting Template. In order to define the EITI scope, we performed the following:

- identified the components of the extractive industries;
- calculated the materiality threshold for the reconciliation process;
- selected cash flows based on the provisions of EITI Requirement 4.1 and the materiality threshold proposed in this study;
- selected companies which should submit a Reporting Template based on the provisions of EITI Requirement 4.2; and
- determine Government Agencies which should submit a Reporting Template based on the provisions of EITI Requirement 4.2.

3. CONTEXTUAL INFORMATION ON THE EXTRACTIVE SECTOR

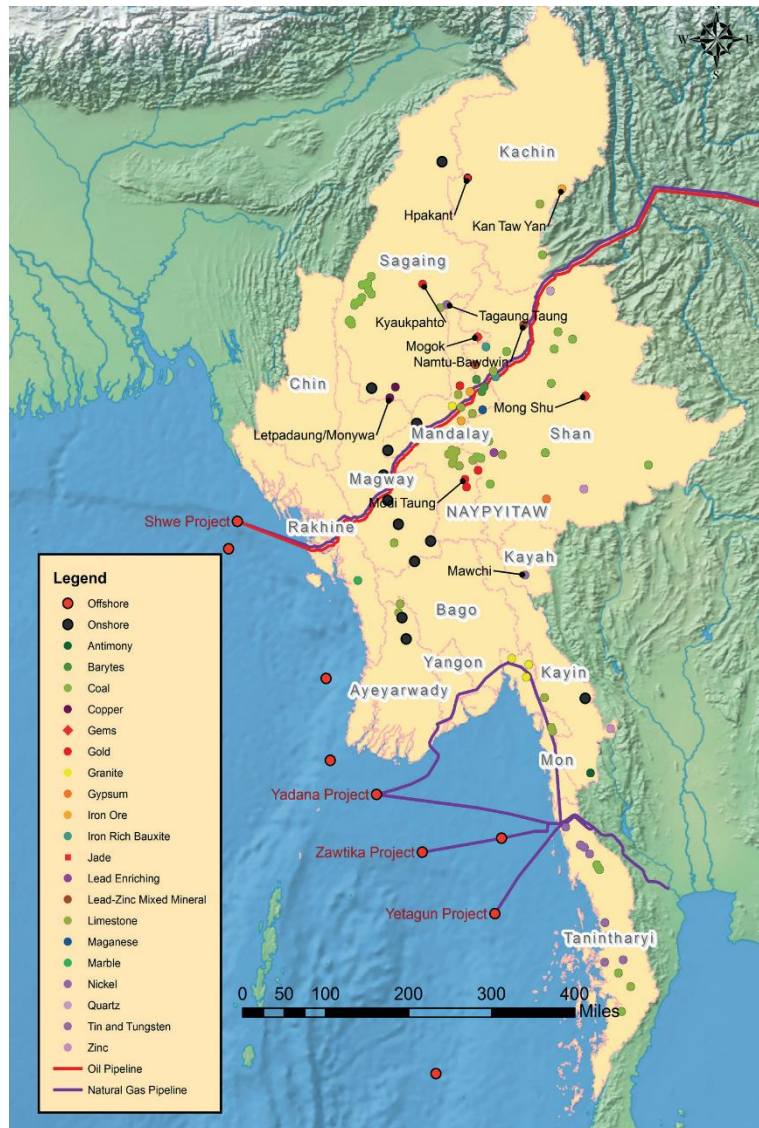
3.1. Extractive sector in Myanmar

Myanmar is richly endowed with mineral resources and is one of the largest producers and exporters of Jade. In 2013, Myanmar produced a variety of mineral commodities, including natural gas, petroleum, coal, copper, precious and semi-precious stones, tin, tungsten, and zinc.

According to the Central Statistical Organisation, gas accounted for 41% and 39% of exports and Gems and Jade accounted for 8% and 5% of exports in FY 2014-2015 and FY 2015-2016 respectively. The Central Statistical Organisation reported total sales of gas amounting to US \$5.1 billion and US \$4.3 billion in FY 2014-2015 and FY 2015-2016 respectively, up from US \$580 million in 2003-04.

The sectors covered by this report are:

- oil and gas exploration, development, processing and export;
- oil and gas transit and transfer pipelines; and
- solid minerals and mining sector.



3.2. Regulatory framework and context of the Oil & Gas sector

3.2.1 General context of the hydrocarbons sector

Myanmar is one of the world's oldest oil producers as its first exports of oil date back to 1853. Myanmar is the second-largest natural gas producer within South East Asia and, over the last decade, its production has increased substantially. According to MOGE, the total gas production in FY 2014-2015 was over 651 MMscf and in FY 2015-2016, the production went up to 675 MMscf. The production of condensate amount to 2.8 and 2 million barrels in FY 2014-2015 and FY 2015-2016 respectively.

According to DICA, Myanmar has received more than US\$69 billion in cumulative foreign direct investment (FDI) as of January 2017. The oil and gas sector attracted over US\$22.4 billion in FDI which represents approximately 32% of the total FDI from 154 foreign enterprises with permits. This makes the country's oil and gas sector one of the top FDI sectors, followed by power, manufacturing, transport and communication.² Further exploration may unveil much more substantial reserves. Now that Myanmar is open to international exploration, major international oil companies are making significant investments using updated technology to locate new sources.

Myanmar has not reached its full oil and gas potential. It has estimated proven gas reserves of 9 TCF and proven oil reserves of 130 million barrels from onshore and offshore fields³. While much of the activity is taking place offshore, there are at least 49 onshore blocks in different phases of auction, exploration or production. On-shore oil and gas companies are active in nearly every state, especially Bago and Magway. They are noticeably less active in Chin, Shan, Kachin and Tanintharyi.

Currently, there are 29 onshore blocks and 38 offshore blocks exploration in exploration and production. The offshore Yadana (TOTAL, Chevron and PTTEP) and Yetagon (Petronas, PTTEP) natural gas projects started production in 1998 and 2000 respectively under gas sales contracts to the Thai state oil company, PTT. The Daewoo (Daewoo and three partners) natural gas project (also known as "Shwe Gas Project") started production in 2013. Natural gas produced is sold to China National Petroleum Corporation. The offshore Zawtika (PTTEP) natural gas project which started production in March 2014 includes a new 300 km long pipeline (270 km of which will be offshore and only 30 km onshore).

The daily production rate of the Yadana natural gas project is 910 million cubic feet (Mcf); Shwe produces around 500 Mcf; Zawtika produces 360 Mcf; and Yetagon produces over 250 Mcf. There are six deep rigs, nine medium rigs and eleven shallow rigs. The total length of natural gas pipeline in the country is 2,200 miles ².

² Source: website export.gov: <https://www.export.gov/article?id=Burma-energy-oil-and-gas>

³ Source: MOGE

3.2.2 Legal Framework

Upstream activities (exploration and production) in the oil and gas sector are governed by the following legislation:

- the Oil-Fields Act [1918];
- the Oil-Fields Rules [1936];
- the Petroleum Act [1934];
- the Petroleum Rules [1936];
- the Essential Supplies and Services Law 2012;
- the Oilfields (Labour and Welfare Act) [1951];
- the Petroleum Resources (Development Regulation Act) [1957];
- the Law Amending the Petroleum Resources (Development Regulation Act) [1969]
- the Myanmar Petroleum Concession Rules [1962];
- the National Environmental Quality Emission Guideline 2015; and
- the Environmental Impact Assessment Regulations 2015.

Although the terms and conditions of production sharing contracts (PSCs) largely govern exploration and production (E&P) operations, the above-mentioned Oilfields (Labour and Welfare) Act 1951 is of continuing importance to contractors and their service companies. Environmental regulations have become part of the legal framework regulating oil activities.

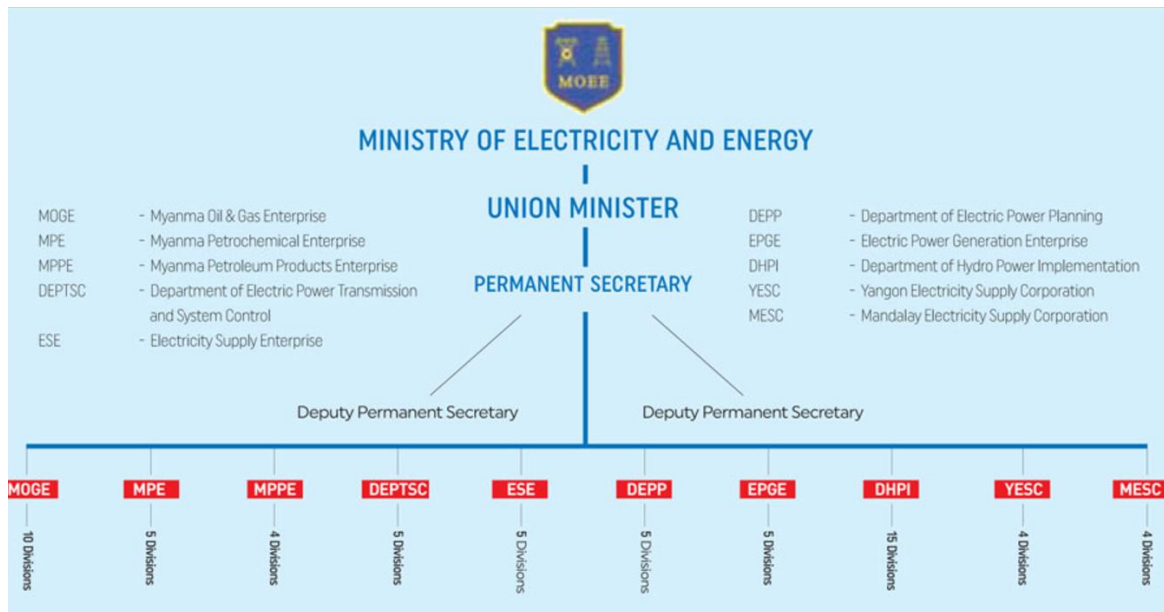
Of equal importance in the oil and gas sector are the State-Owned Economic Enterprises Law (under which the Myanmar Oil and Gas Enterprise (MOGE) is assigned responsibility for the E&P sector under PSCs with private companies), the Myanmar Investment Law (2016) (MIL) (formerly the Foreign Investment Law (2012) (FIL), repealed by MIL), Myanmar Investment Rules and MIC Notification (under which permits are granted by the Myanmar Investment Commission (MIC) to approve terms and conditions of draft PSCs).

The old petroleum laws refer mainly to rights characterised as concessions. Although the above-mentioned laws relating to petroleum are still applicable, in practice investors generally enter into PSCs, performance compensation contracts (PCCs), improvement of marginal recovery agreements (IPRs), and reactivation agreements. The terms and conditions of these contracts govern the process as long as they are not contrary to the laws in force.

3.2.3 Institutional framework

Following the sweeping reorganisation of Government ministries announced in March 2016, the Ministry of Electric Power (MOEP) and the Ministry of Energy (MOE) merged to create one of the most powerful and influential economic ministries, the Ministry of Electricity and Energy (MoEE). In the past, MOEP and MOE encountered challenges working on projects together, for example, when it came to supply of gas for new power plants. The combined ministry has the potential to significantly streamline this process.

Figure 1: MoEE Organisation Chart



MoEE is the primary Government Agency responsible for the oil and gas sector. MoEE has oversight of three State Owned Enterprises:

- **Myanmar Oil and Gas Enterprise (MOGE):** responsible for exploration/production and land transmission of oil and gas through a 2,488 km onshore transmission pipeline network and to oversee Production Sharing contracts (PSCs) entered into private investors. MOGE is also responsible for issuing tenders to foreign companies;
- **Myanmar Petrochemical Enterprise (MPE):** has the oversight of three refineries, five urea fertilizer plants and a number of other processing plants; and
- **Myanmar Petroleum Products Enterprise (MPPE):** manages retail and wholesale distribution of petroleum products.

In addition to these enterprises, the MoEE organisation chart includes the Oil and Gas Planning Department (OGPD) which is responsible for energy policy formulation, coordination and the discussion of Energy development Programme. OGPD is also responsible with MOGE for tendering oil and gas blocks (onshore, shallow water offshore, deep water offshore) in Myanmar and managing concession contracts, exploration and production and sale of oil and gas.

MOGE is both a regulator and operator. MoEE and MIC also have regulatory roles.

In order to ensure the development of energy and electrical sectors, the National Energy Management Committee was set up in January 2013 by the President's office notification No (12/2013). It is chaired by the Minister of Energy and comprises MOGE, the Ministry of Energy and the 10 other government institutions involved in energy development and aims to streamline the country's national energy policy.

3.2.4 Main oil and Gas projects

Badamyar gas project

Total SA has started production from the offshore Badamyar project in May 2017, 220 km South of Yangon in Myanmar. The project will allow an extension of Yadana gas field's 8 billion cu m/year production plateau beyond 2020.

The Badamyar project involves the installation of a new wellhead platform connected to the Yadana production facilities and the drilling of four horizontal wells to develop the Badamyar gas field as a satellite of Yadana. The project also includes a new compression platform. Launched in mid-2014, the project was completed with no lost-time injuries during the 5 million man-hr worked.

Total is the operator of the project with a 31.2% interest. Its partners are Chevron-Unocal 28.3%, PTTEP 25.5%, and MOGE 15%⁴.

Yadana project⁵

Total signed the Yadana production sharing contract with MOGE in July 1992 and operates the field with a 31.2% interest with the State-Owned Myanmar Oil and Gas Enterprise (MOGE) holding 15% interest.

The Yadana gas field is located in the Andaman Sea, approximately 60 kilometres offshore the nearest landfall in Myanmar. This major energy resource contains more than 5.3 trillion cubic feet (150 billion cubic metres) of natural gas, with an expected field life of 30 years. Commercial production began in the year 2000 and production averaged more than 21.5 million cubic metres per day in 2007.

The gas is supplied to Thai power plants and is also sold on Myanmar's domestic market. The gas is transported onshore via a 346-kilometre subsea pipeline. A 63-kilometer onshore pipeline then takes it to the Thai border.

The Yadana field has five different contractual arrangements:

- PSC and Petroleum Production JV with the following participants: Total as operator with 31.24%, Unocal with 28.26%, PTT Exploration and Production Plc (PTTEP) with 25.50% and MOGE with 15.00%;
- an Export Gas Sales Agreement (EGSA) with the above PSC and the Thai gas buyer PTTEP (to be used in Thai power plants);
- an Export Gas Transportation Agreement (EGTA) between Moattama Gas Transportation Company (MGTC) and the above PSC with the same shareholders, participants and interest percentages;
- a Production Operating Agreement for the above PSC; and
- a Gas Pipeline Operating Agreement (GPOA) where Total is the operator.



⁴ <http://www.ogj.com/articles/2017/05/total-brings-badamyar-gas-project-on-stream-in-myanmar.html>

⁵ <http://burma.total.com/myanmar-en/total-in-myanmar-200275.html>

Yatagun projects

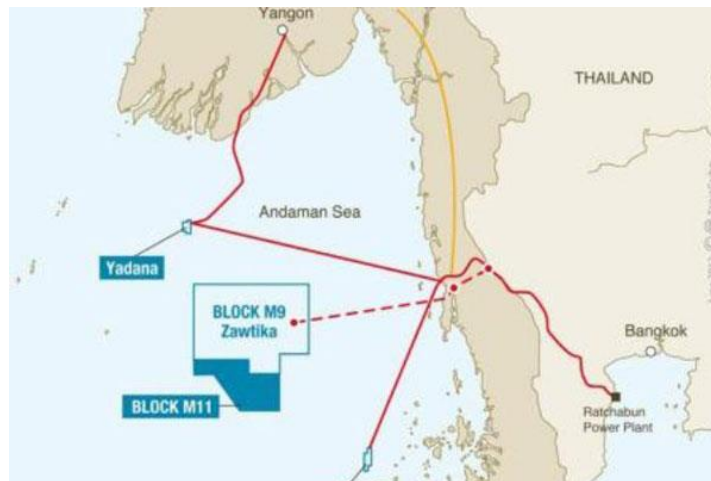
The Yetagun gas field is an offshore gas field in the Andaman Sea, covering an area of approximately 24,130km². Following the Yadana project, the US\$700 million Yetagun ("waterfall") project was the second natural gas offshore project in Myanmar.

The field is estimated to hold three trillion cubic feet of gas and 80 million barrels of condensate in reserves.

Petronas holds a 40.91% interest and operates the field. The other partners working in the field include Myanmar Oil and Gas Enterprise (MOGE, 20.45%), PTTEP International Limited (PTTEPI, 19.32%) and Nippon Oil Exploration (Myanmar) (19.32%).

The Yetagun field was discovered in December 1992. The field development activities started in 1996, construction of the pipeline and associated facilities were carried out in 1998 and 1999 and commercial production started in May 2000. The field is expected to continue production until 2030.

Natural gas produced from the field is supplied to the Petroleum Authority of Thailand (PTT) through the Taninthayi Pipeline operated by Taninthayi Pipeline Company (TPC), whereas the condensate from the field is stored in the Yetagun FSO vessel and sold to both domestic and international customers.



Zawtika project⁷

The Zawtika project includes the development of the Zawtika, Kakonna and Gawthaka fields, located in blocks M9 and M11 of the Gulf of Martaban, offshore of Myanmar. The project is spread across an area of 11,746 square kilometres.

The Petroleum Authority of Thailand Exploration and Production International (PTTEP International) is the operator of the project. PTTEP owns an 80% interest in the project, with Myanmar Oil and Gas Enterprise (MOGE) holding the remaining 20%.

The USD 2bn project initially started delivering natural gas for domestic purposes in Myanmar in March 2014 at a rate of approximately 60 million standard cubic feet per day (MMscf/d). In August 2014, it started exporting natural gas to Thailand at a rate of 240MMscf/d.

On 5 January 2012, PTTEP Offshore Investment Limited (PTTEPO) with Myanmar Oil and Gas Enterprise (MOGE) entered into a Shareholder Agreement with Andaman Transportation Limited (ATL) to invest in Zawtika gas transportation project. MOGE's investment is under 'the Agreement Establishing the Rights and Obligations of the Andaman Transportation Limited', which stated that, if MOGE exercised its rights to invest 20% of participating interest under the Production Sharing Contract, MOGE will have rights to invest in the common stock of ATL in the same proportion.⁸

The offshore Zawtika (PTTEP) natural gas project started production in March 2014.

⁶ <http://www.offshore-technology.com/projects/yetagun-gas-and-condensate-field/>

⁷ <http://www.offshore-technology.com/projects/zawtika-gulf-martaban-myanmar-burma/>

⁸ www.pttep.com

Mann Field¹¹

Mann Field is situated on the Northern plunging end of the 30 mile-long Mann-Minbu structure trend in the oil province of the Central Myanmar basin. Mann field was discovered in April 1970 by Myanmar Oil and Gas Enterprise (MOGE) and this discovery led to the Padaung formation. At 1 April 2014, 667 wells had been drilled in the field and approximately 120 million barrels of oil and 121 Bcf of associated gas had been produced. Estimated ultimate remaining recoverable oil is about 25 MMbbls. The field is currently producing about 1,450 barrels of oil per day from 351 wells.

MPRL E&P, formerly known as Myanmar Petroleum Resources Ltd, is the current holder of a Performance Compensation Contract originally signed between Baker Hughes Singapore and MOGE.

3.2.5 Procedures for the award of Oil and Gas blocks

Before 2011, there was no Oil and Gas bidding process and the senior authorities allocated blocks to companies through direct negotiations. However, since 2010, Production Sharing Contracts are increasingly being awarded through licensing rounds. A bidding process and evaluation procedure has been implemented for the award of licenses.

The first licensing rounds for oil and natural gas fields took place in 2013 as follows:

On 17 January 2013, MOGE announced a round of bidding for 18 onshore blocks: 3 IPRs and 15 PSCs

- Expressions of Interest were due on 16 March 2013;
- 59 bidders were shortlisted for the second round of bidding;
- 26 shortlisted bidders submitted 53 bids for 16 blocks; and
- 11 bidders were awarded 16 onshore blocks on 10 October 2013.

Recent onshore energy block winners		
Company name	Country	Number of blocks
Production Sharing Contract		
ONGC Videsh	India	2
Recent onshore energy block winners		
Eni	Italy	2
Petroleum exploration	Pakistan	2
Recent onshore energy block winners		
Brunei National Petroleum	Brunei	1
Petronas	Malaysia	1
Pacific Hunt energy	Canada	2
CAOG S.a.r.l	Luxembourg	1
JSOC Bashneft	Russia	1
PTTEP South Asia Ltd and Palang	Thailand	1
Sophon Offshore	Thailand	1
Petroleum Recovery Contracts		
MPRL E&P Pte	British Virgin Islands	2

¹¹ <http://www.mprlexp.com/>

On 11 April 2013, MOGE announced a new round of bidding for shallow water blocks (11 PSCs) and deep water blocks (19 PSCs) as follows:

- Expressions of Interest were due on 14 June 2013;
- 61 bidders were shortlisted for the second round of bidding;
- 30 shortlisted bidders submitted bids on 15 November 2013; and
- 13 bidders were awarded 10 shallow water blocks and 10 deep water blocks in March 2014 as follows:

Shallow water blocks

Number	Block/Area	Company awarded	Country	Acreage (sq km)
1	A-4	BG Asia Pacific and Woodside Energy (Myanmar)	UK and Australia	2,200
2	A-5	Chevron (Unocal Myanmar Offshore Co. Ltd)	United States	10,600
3	A-7	BG Asia Pacific and Woodside Energy (Myanmar)	UK and Australia	8,220
4	M-4	Oil India Ltd, Mercator Petroleum Ltd and Oilmax Energy	India	N/A
5	M-7	ROC Oil and Tap Oil	Australia	13,000
6	M-8	Berlanga Holding	Netherlands	N/A
7	M-15	Transcontinental Group	Australia	N/A
8	M-17	Reliance Industries	India	27,600
9	M-18	Reliance Industries	India	N/A
10	YEB	Oil India Ltd, Mercator Petroleum Ltd and Oilmax Energy	India	N/A

Deep water blocks

Number	Block/Area	Company awarded	Country	Acreage (sq km)
1	AD-2	BG Asia Pacific and Woodside Energy (Myanmar)	UK and Australia	8,098
2	AD-3	Ophir Energy Pic	United Kingdom	10,000
3	AD-5	BG Asia Pacific and Woodside Energy (Myanmar)	UK and Australia	10,560
4	AD-9	Shell Myanmar Energy and MOECO	Netherlands	N/A
			Norway and	
5	AD-10	Statoil and Conoco Phillips	United States	9,000
6	AD-11	Shell Myanmar Energy and MOECO	Netherlands	N/A
7	MD-2	Eni Myanmar	Italy	N/A
8	MD-4	Eni Myanmar	Italy	N/A
9	MD-5	Shell Myanmar Energy and MOECO	Netherlands	N/A
10	YWB	Total E&P	France	N/A

After agreement between MoEE and selected candidates, the Ministry of Energy requested comments from respective Ministries such as the Union Attorney General Office, Union Auditor General Office, the Ministry of National Planning and Economic Development, Ministry of Planning and Finance and Central Bank for the draft contract.

Once the Ministry of Energy has received comments from the relevant Ministries on the draft contracts they are submitted to the Economic Committee Cabinet and Myanmar Investment Commission for authorisation. After approval and permission of Myanmar Investment Commission, successful bidders can enter into the PSC Contracts.

12 companies (successful bidders) have executed PSC Contracts for 19 offshore blocks with MOGE. One remaining block will be signed in the near future.

On 7 May 2015, MOGE announced that another bidding round would not begin until 2016 at the earliest, but did not disclose how many onshore or offshore blocks it would make available. We understand that no Oil and Gas permits have been awarded since 2014.

For the bid rounds under the new process, MOGE set out the following bid assessment criteria:

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

MOGE's Shallow/Deep Offshore PSC Selection Criteria allocated scores as follows:

Sr. No	Description	Mark
1	Work Program and Expenditure	60%
2	Production Split	20%
3	Signature Bonus & Working Experience	10%
4	Financial Standing	10%
Total		100%

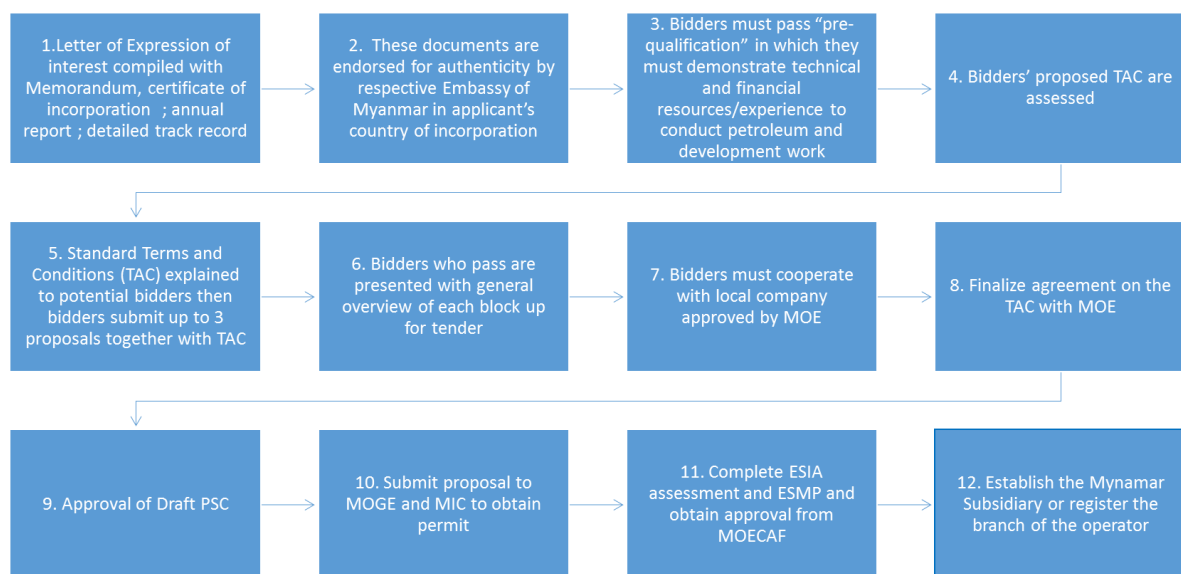
Moreover, for onshore and shallow water blocks, potential bidders must partner with at least one national owned company which is registered with the Energy Planning Department (EPD). Bidders for deep water offshore blocks are not required to partner with a national company.

The list of the selected candidates were announced on the Ministry of Energy Website which held a press release for announcement of selected candidates on 26th March 2014.

The current legal framework does not include requirements related to the application process to award of oil and gas blocks and GOUM treats at its absolute discretion, the awards of oil and gas contracts and applications.

The figure below outlines the application process used by GOUM to manage the development for available Oil & Gas blocks¹².

Figure: Contracting and Bidding Process for Oil & Gas Blocks



According to MSG's decision, all SOEs including MOGE were required to disclose details of licenses awarded. However, we noted that the latter did not comply with this requirement during the period covered by the report.

¹² The Oil and Gas Sector in Myanmar PP Presentation. Ministry of Energy, Myanmar Oil and Gas Enterprise.2013

3.2.6 Contract types

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

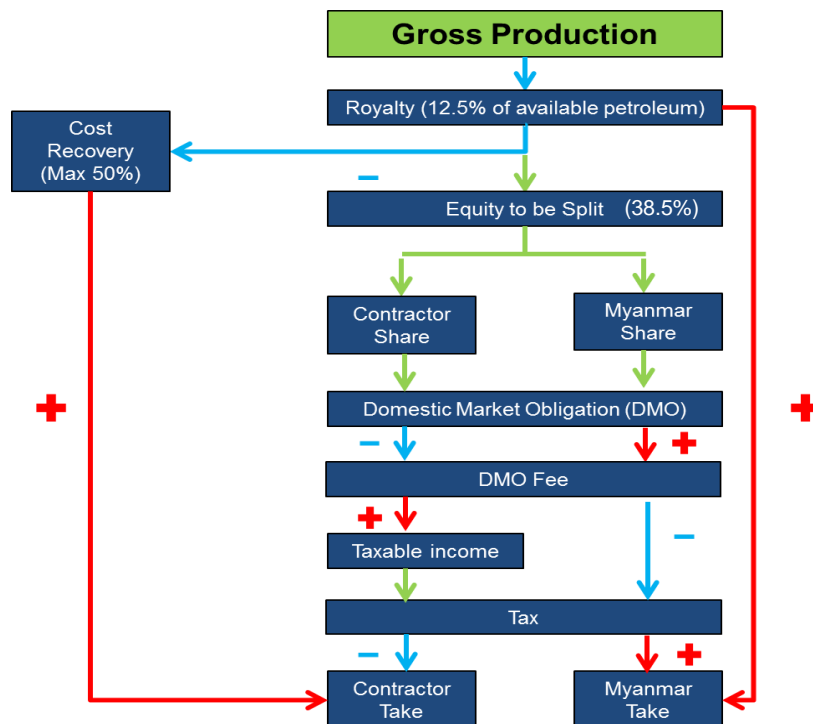
Only the terms and conditions of the PSCs are published on the MoEE website¹³. PSCs in Myanmar have the following terms:

	Onshore PSCs	Shallow water PSCs	Deep water offshore PSCs
Management	MOGE is responsible for management of operations. Contractor is responsible to MOGE for the execution of such operations and the associated costs.	MOGE is responsible for management of operations. Contractor is responsible to MOGE for the execution of such operations and the associated costs.	MOGE is responsible for management of operations. Contractor is responsible to MOGE for the execution of such operations and the associated costs.
Preparatory Period:	Six months (after signing of contract), which may be extended.	Six months, which may be extended.	Six months, which may be extended.
Exploration Period	Initial term 3 years, 1 st extension 2 years, and 2 nd extension 1 year. Seismic and well commitments: negotiable	Initial term 3 years, 1 st extension 2 years, and 2 nd extension 1 year	Initial term 3 years, 1 st extension 2 years, and 2 nd extension 1 year
Production Period	20 years from completion of development or according to sales contract, whichever is longer	20 years from completion of development or according to sales contract, whichever is longer	20 years from completion of development or according to sales contract, whichever is longer
Signature bonus:	Payment within 30 days of approval from MIC on EIA/SIA	Payment within 30 days of entering Exploration Period	Payment within 30 days of signing PSC [amended to 30 days after start of Exploration Period]
Relinquishment:	100% at end of Exploration Period, less Discovery Areas and Development and Production Areas.	100% at end of Exploration Period, less Discovery Areas and Development and Production Areas	100% at end of Exploration Period, less Discovery Areas and Development and Production Areas
Royalty:	12.5% of available petroleum (10% for PSC up to 2012)	12.5% of available petroleum (10% for PSC up to 2012)	12.5% of available petroleum (10% for PSC up to 2012)
Cost recovery	Limited to 50%	Limited to 50% in water depth of 600 feet or less; 60% for water depth exceeding 600 feet	Limited to 60% in water depth of 2,000 feet or less; 70% for water depth exceeding 2,000 feet
Production split:	Progressive per rate of production 60 to 90% for crude oil and natural gases	Progressive per rate of production 60 to 90/85% for crude oil and 65/60% to 90% for natural gases	Progressive per rate of production 60/55% to 85/80% for crude oil and 60/55% to 90/80% for natural gases

¹³ <http://www.energy.gov.mm/>

	Onshore PSCs	Shallow water PSCs	Deep water offshore PSCs
Production bonus	Progressive per rate of production. USD 0.5 million to 6.0 million	Progressive per rate of production. USD 1 million to 10.0 million	Progressive per rate of production. USD 1 million to 10.0 million
Domestic requirements:	20% of crude oil and 25% of natural gas from the contractor's share of profit realised from the sale of petroleum on the domestic market, at 90% of fair market prices	20% of crude oil and 25% of natural gas of contractor's share of profit realised from the sale of petroleum on the domestic market, at 90% of fair market prices	20% of crude oil and 25% of natural gas of contractor's share of profit realised from the sale of petroleum on the domestic market, at 90% of fair market prices
Training fund:	USD 25,000 pa during exploration USD 50,000 pa during production	USD 25,000 pa during exploration USD 50,000 pa during production	USD 50,000 pa during exploration USD 100,000 pa during production
State participation	15% with MOGE option to increase to 25%	Up to 20% with MOGE option to increase up to 25%	Up to 20% with MOGE option to increase up to 25%
Other	EITI implementation Contractor must include a company registered in Myanmar	EITI Implementation CSR Obligations. Contractor must include a company registered in Myanmar	EITI Implementation CSR Obligations. Contractor must include a company registered in Myanmar

The PSC calculation in Myanmar can be presented as follows¹⁴:



¹⁴ For PSC up to 2012 royalties were 10% of available petroleum.

3.2.7 Policy on disclosure of contracts and licenses

Contracts disclosures

The Oil and Gas legislation does not include any express restrictions on the public disclosure of contracts and licenses by the government. However, signed contracts are not currently published due to the confidentiality provisions in Oil and Gas contracts.

The existing Oil and Gas contracts are predominantly PSCs entered into by MOGE and private operators. PSCs are all based on a model contract that MoEE has used for several years. This model contract contains a confidentiality provision which prevents the public disclosure of information relating to Oil and Gas operations by both MOGE and the operators as follows:

Clause 27.5 of the model PSC stipulates that "Contractor undertakes to maintain in strictest secrecy and confidence all data and information purchased or acquired from MOGE as well as during the course of operations... until such time as MOGE agrees in writing to release the Contractor from its undertakings and obligations... MOGE may use at its own discretion all the data and information obtained but shall undertake to maintain such data and information in the strictest secrecy and confidence during the term of this Contract."

In practice, only a model short-form "terms and conditions for PSCs" (which sets out the key financial and production sharing regime) is publicly disclosed by MoEE but does not include the full terms of the contracts.

A copy of the PSC between MOGE and Total E&P for the Yadana project dated 9 July 1992 is available publicly on the MoEE website but no other long-form PSCs are publicly available.

Under this contract, information regarding 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 are described. However, the contract does not include the amount of signature bonuses paid by Total.

Contract allocation and transfer disclosure

The Oil and Gas Legislation does not restrict the disclosure of the award or transfer of Oil and Gas Blocks or the bid criteria used in the Oil & Gas block auctions. However, the confidentiality provision in the PSC contracts (as mentioned above) would restrict the disclosure of the transfer of Oil & Gas concessions under PSCs by MOGE.

In practice, MOE has publicly announced the award of Oil and Gas blocks to operators, although the technical and financial criteria used to award the blocks have not been disclosed in full. (See Section 3.2.5)

In the recent bidding rounds, the initial request for expressions of interest and lists of qualified applicants were released publicly by MoEE.

3.2.8 State participation in the Oil and Gas sector:

The Constitution of the Republic of the Union of Myanmar 2008, stipulates that the state is the ultimate owner of all natural resources including Oil and Gas. The State's intervention in the Oil and Gas sector is made through the State Enterprise MOGE and the Production Sharing Contracts signed with cocontractors.

State Owned Enterprises (SOEs)- MOGE

In 1989, Myanmar enacted its State-Owned Economic Enterprise Law, identifying key areas of economic activities where the State would exercise control via SOEs. Although this law remains in effect, the Foreign Investment Law largely determines, in practical terms, how GOUM exercises its involvement in the extractive industries sector. For example, in contrast to the State Owned Economic Enterprises Law, GOUM no longer exercises its right to monopolise the extraction of resources.

The principal vehicles by which MOGE collects these revenues appear to be their production sharing contracts, which entitle the government's share of profit petroleum (40 to 60 percent for oil and gas, according to details released by the government), production bonuses and other fees for training and development purposes (aimed at increasing MOGE's capacity building). Beyond its revenue collection and marketing responsibilities, MOGE plays major roles in the allocation of licenses; the monitoring of implementation of the country's legal regime; and efforts to develop commercial capacity.

Production sharing Contracts

The standard PSCs used by OGDG contain state buy-in provisions depending of the block location.

(a) For onshore blocks

Clause 19.1 of the standard PSC reserves a 15% undivided interest in the total rights and obligations for MOGE, with the option for MOGE to increase its share up to 25% undivided interest in the project.

For the assignment of the undivided interest in the total of the rights and obligations arising, MOGE shall reimburse the Contractor an amount equal to the same percentage of the sum of Operating Costs which the Contractor has incurred for and on behalf of its activities as well as the same percentage of the Signature Bonus paid to MOGE referred to in Section 11.1 of the PSC.

The reimbursement of the above-referred amounts can be made by:

- transfer by MOGE within three (3) months after the date of its acceptance of the Contractor's offer, to the Contractor's account, in the currency in which the relevant costs have been financed; or
- in-kind payment or "Payment out of Production" of fifty percent (50%) of MOGE'S production entitlement under the Contract valued in the manner described in Section 12 of the PSC, as from the beginning of Commercial Production.

(b) For offshore blocks

MOGE has buy-in rights into the project up to 20% upon a commercial discovery (increasing to 25% if the reserves are greater than 5 TCF).

Figure 3: State participation in Oil and Gas producing fields

Project		Operat or	Interest distribution (in %)								
Offshore projects	Yadana	TOTAL	31.2	MOGE	15.0	UNOCAL	28.3	PTTEP	25.5		
	Yetagun	Petronas Carigali Myanmar Inc	40.9	MOGE	20.5	Nippon Oil	19.3	PTTEP	19.3		
	Shwe	Daewoo International Corporation	51.0	MOGE	15.0	ONGC Videsh Ltd	17.0	Gail JJ India Ltd	8.5	Korea Gas Corporation	8.5
	Zawtika	PTTEP	80.0	MOGE	20.0						

Source: MOGE

We understand that MOGE does not hold any interests in the capital of Oil and Gas operators.

3.2.9 Exports

According to the data collected from CSO, total exports of gas in Myanmar for the years 2014-2015 and 2015-2016 amounted to US\$ 5,178.6 million and US\$ 4,343.3 million respectively.

3.3. Legal framework and context of the mining sector

3.3.1 General context of mining sector

Myanmar has diverse and largely untapped geological resources which will make mining a significant driver of the country's economic development in the decades to come. Myanmar's mining sector is not as developed as its oil and gas sector as the level of foreign investment is much lower. However, the country has extensive mineral resources and these are attracting considerable interests from international mining companies.

Mineral deposits cover all sectors, including base metals (gold, copper, silver, lead, zinc, tin, manganese, antimony), industrial minerals (cement, clays, gypsum, fertilizer bases, dolomite, limestone, salt and barite), energy sources (coal and uranium) and gems (jade, rubies, spinel, peridot, sapphire, kyanite)¹⁵.

Myanmar's mining sector is made up of large scale mining, small scale artisan extraction and a certain amount of informal mining. The mining sector operates both through granting concessions to private investors and through State Owned Mining Enterprises placed under the authority of the Ministry of Natural Resources and Environmental Conservation (MONREC).

In the precious gem subsector, around 90% of the world's supply of Rubies are sourced from Myanmar and the country is also the world's largest single source of Jade. The Government of Myanmar prohibits the extraction of precious gems by foreign investors. The sub-sector also remains subject to sanctions, thus entirely off limits to foreign investors for the foreseeable future.

Copper makes up the largest export metal in the mining sector, while silver, lead, tin, tungsten and antimony deposits are widespread across the country. Exploration of metallic or industrial minerals can only be undertaken through a JVA with citizens of Myanmar.

3.3.2 Mineral resources

a) Gems and Jade

Myanmar rubies and jadeite continue to command the highest prices on international markets, and Myanmar is the world's single largest source of jadeite (jade) globally, accounting for an estimated 90% of global production¹⁶.

Coloured gemstones are mined in approximately 50 countries worldwide. Of these, Myanmar is renowned for its abundance of high quality gemstones, including world-class rubies, sapphires (ruby and sapphire are both a variety of corundum) and jadeite. Other gemstone varieties found in Myanmar include spinel, diamonds, tourmaline, peridot, topaz, garnet, moonstone, lapis lazuli, chrysoberyl, amber, quartz, and more. There are also a few extremely rare varieties of gemstone that are unique to Myanmar and have never been found anywhere else in the world.

In Myanmar, gems and jadeite are sold to international buyers at the annual Gems Emporium, held in Nay Pyi Taw, as well as in shops and markets across the country. Foreigners are prohibited by law from extracting Myanmar's gemstones, including entering into joint venture partnerships with Myanmar citizens. Only Myanmar citizens are allowed gemstone permits.

While a number of geological surveys of Myanmar's gem-producing areas have been undertaken over the past decades, the quality and reliability of these is not known, and there is very little publicly available information. The lack of clear and up-to-date geological information leads to a considerable

¹⁵ 2012 Minerals Yearbook, Burma, U.S. Geological Survey

¹⁶ Source: Gemstone Sector Review, Emma Irwin – July 2016

amount of speculation and misinformation about potential gem-yielding areas, makes the allocation of gemstone production permits more challenging, and is also therefore a deterrent to investors. This is an area requiring further attention and strengthening.

Coloured Gemstones

The Mogok valley in Mandalay Division, around 150 miles North East of Mandalay, is probably the most well-known of Myanmar's gem producing areas due to its famous ruby deposits, and the Mogok stone tract has been known throughout history as the 'Land of Rubies'. The allure of certain wealth in return for control of the gemstone mines has fuelled conflicts in this area throughout history. It is commonly estimated that 80 - 90% of the world's rubies come from Myanmar¹⁸

In the 1980s and 1990s rubies from newly discovered deposits in Mong Hsu in Shan State flooded the international ruby markets, mostly via Thailand. This was followed by promising ruby and sapphire deposits in Namya in Kachin State, near Hpakant and the Chinese border, particularly during the 1990s. The quality of rubies from these deposits is not considered as good as those from Mogok.

Jadeite

Jadeite (jade) is found predominantly in the Hpakant area of Kachin State as well as Mohnyin, and also in Hkamti Township in Sagaing Division. Myanmar is the world's main commercial source of jade although jadeite also occurs in Guatemala, Japan and the US. It is commonly estimated that up to 90% of the world's jade is now mined around the Hpakant area and sold to Chinese buyers¹⁸. Myanmar's 'imperial jade' is the most valuable in the world with its translucent to almost transparent bright emerald green colour.

b) Other minerals

Cathode Copper

Cathode Copper is produced from S & K Mine, Monywa in Sagaing division, Upper Myanmar. The mine started its commercial production in January 1999 and annual production at present is approximately 27,000 tonnes. The Mine is operated by Myanmar Ivanhoe Copper Company Ltd(MICCL) a 50:50 Joint Venture Company between the Ivanhoe Holding Ltd and the No. 1 Mining Enterprise, a state owned enterprise. Cathode Copper produced by MICCL is registered with London Metal Exchange.

Refined Lead/ Refined Silver and Zinc Concentrates

Mining operations in Namtu Bawdwin lead/zinc mine started since the 15th century. The mine was operated by the Burma Mines Ltd prior to Myanmar's independence from British Colonial rule and became a joint venture operation in 1951. The mine is currently operating under No.1 Mining Enterprise. Other lead/zinc mines under No. 1 Mining Enterprise are Yadanatheingi and Bawsaing mines all of which are located in the Shan States. Bawdwin underground mine has its own concentrating plant for upgrading of sulphide ores of lead, where after the concentrates are fed into smelter at Namtu to produce refined lead and refined silver and zinc concentrates. By- products are copper matte, nickel speiss, antimonial lead. There are privately owned lead/zinc mines in the same region. Major share of lead/zinc production are exported. Silver and lead produced by the No.1 Mining Enterprise are also registered with London Metal Exchange.

Refined Tin, Tin Concentrate, Tin Wolfram mixed concentrates

Mawchi mine, located 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 at present there is no state operated tin tungsten mine apart from one tin smelter in Thanlyin.

Coal

In the State Sector Kalewa underground coal mine and Namma opencast coal mine are operating under No. 3 Mining Enterprise. In the private sector, Mawdaung opencast mine in Taninthayi division produces over 500,000 tonnes annually which are exported across the border to Thailand. Private owned coal mines in Shan State are operated by local entrepreneurs for local consumption. A 120 MW coalfired power plant is being built at Tigyit in the Shan State and coal production will increase significantly in the near future.

Gold

The Kyaukpahto gold mine located in the Kawlin township Sagaing division is operated by No.2 Mining Enterprise, while private gold mines in Mandalay division, Sagaing division and Kachin States operate with production sharing contracts signed between private mine companies and No.2 Mining Enterprise.

The government is working in joint venture with three foreign companies for exploration of gold, while another company is already in the production stage.

Iron and Steel

No.1 Iron and Steel Plant at Pyin Oo Lwin smelts iron ore from Kyatwinye iron mine located 26 miles to the South East of Pyin Oo Lwin. No.1 iron steel plant produces sponge iron, pig iron and steel, steel grinding balls and steel round bars. The products are used locally for construction works.

Limestone

Two types of limestone are produced in Myanmar depending on the physical properties. Limestone which has a high calcium content with no outstanding physical appearance is used as raw material for cement production while limestone with inclusions giving rise to beautiful a texture and colour is used as decoration limestone, 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 industry.

3.3.3 Context of the Artisanal Mining sector Ruby Mining in Myanmar

Artisanal Ruby Mining

Artisanal mining, particularly for gold, has long been a traditional livelihood activity for people in areas where gold is present in alluvial systems. The equipment used in this process is very modest, requiring only a bamboo tripod mounted gravity riffle table, wooden gold pan and basic digging equipment.

In the mid-1990s Myanmar opened up ajar to admit private interests and tourists from the outside world. Gemstone and jade mining were slightly liberalised and expanded. The major ruby mining areas of today, include the Mogok Stone Tract, and Mong Hsu in Shan State, while jade and the rarer jadeite are primarily mined in the Kachin State around Hpakant.

The mines of Mogok, and sub-mines in the surrounding areas have produced many of the finest rubies in the world. In addition to rubies, the land yields sapphires, spinel, peridot, aquamarine and a variety of other semi-precious stones.

Some smaller ruby mining areas also became official sources in the 1990s at Nawarat (also called Pyinlon) and Namhsa in Shan State, Sagyin (near Mandalay), Thabeitkyn and Kathe along the Irrwaddy River West of Mogok, Namya, which is located in the Kachin State a few miles from Hpakant near the Chinese border, and others.

Artisanal Gold Mining

Since the mid 1990s artisanal mining carried out mainly by locals, has gradually been replaced by mechanised equipment. These include riverbed mining with bucket and suction dredges as well as hydraulic mining of river banks and large open cast and shaft mines. On land, more and more areas are being deforested in order to make way for mining and to build the necessary infrastructures. Together with the mining activities, the use of the mining agent mercury has increased. Methods of

mining that disturb increasingly large areas of land are spreading, including employment of cyanide leaching, as the most easily accessible alluvial gold is depleted and deposits deeper in the ground and in hard rock are exploited.

Artisanal gold mining takes place all over Myanmar and some 20,000 people or more are involved in this subsector.

3.3.4 Legal framework

The mining sector is governed by:

- Myanmar Mines Law 1994;
- Myanmar Mines Rules 1996; and
- Myanmar Gemstone Law 1995.

The Union of Myanmar Mines Law was promulgated in September 1994 and Rules relating to the law followed in December 1996.

On 24 December 2015 Myanmar's parliament (the Pyidaungsu Hluttaw) passed Law No. 72 'An Act Amending the Myanmar Mining Law' (2015 Mines Law). The 2015 Mines Law amends Myanmar's outdated 1994 Mines Law. The main changes introduced by this amendment are detailed in Section 3.3.11 of the report.

On 29 January 2016 Myanmar's parliament (the Pyidaungsu Hluttaw) passed the second amendment to the Myanmar Gemstone Law (23/2016). The main changes introduced by this amendment are detailed in Section 3.3.11 of the report.

Currently, there is no formal written mineral policy that would be comparable to the GOUM Energy Policy. However, MONREC has a "policy direction"¹⁷. This policy direction sets out the government's overall privatisation goals, which are to encourage private sector investment into the mining sector and to avoid reliance on public sector funds. It is the policy of the Ministry of Mines not to make new investment on its own, but to encourage foreign and local investors to invest in the mining sector.

Forms of agreement may be generally on production sharing basis or profit sharing basis, depending on equity contribution by both parties. Production sharing type of investment could either be straight split on total production or after cost recovery. The Ministry of Mines is flexible whether to have majority, minority or equal participation in equity participation joint ventures, depending on a case by case basis.

In addition to the Mining Legislations cited above, the following key legislations are relevant to the mining industry in Myanmar:

- Constitution of Myanmar (2008);
- Income tax legislation;
- Foreign investment legislation;
- Companies legislation;
- State-owned Economic Enterprises Law 1989;
- Myanmar Official Secrets Act 1923;
- Environmental Conservation Law [2012]; and
- Contract Act 1872.

Any application for the award of a mining permit is subject to the signing of a production sharing or profit sharing arrangements with MONREC.

MONREC can enter into agreements with mining operators through joint ventures with state owned enterprises (Mining Enterprise 1, 2 or 3 etc.) on a production sharing basis. However, these joint ventures only happen for the most significant large-scale projects.

¹⁷ http://www.mining.gov.mm/Minister_Office/3.Minister_Office/details.asp?submenuID=4&sid=59

3.3.5 Institutional framework

The Ministry of Mines (now under MONREC) is the Government Agency responsible for implementing the GOUM's mineral policy, for planning, and for enforcing the laws and regulations related to the mining sector.

According to the Myanmar Mines Law, all naturally occurring minerals found either on or under the soil of any land in the continental shelf are deemed to be owned by the State.

The Ministry evaluates and processes all licence applications for the prospecting and production of minerals (value added processing) in accordance with the 1994 Mining Law; It also monitors production operations and promotes investment in the minerals sector. According to the Mining Law, any naturally occurring minerals found on or under the ground and on Myanmar's continental shelf belong to the State of Myanmar.

The ministry has two main departments and six state enterprises:

Department of Geological Survey and Mineral Exploration (DGSE)	DGSME is directly responsible for countrywide geological mapping, mineral prospecting and exploration using geological, geochemical, geophysical and exploratory drilling techniques.
The Department of Mines	The Department of Mines is responsible for administration of mineral policies and planning mineral legislations, mine inspections and safety, minerals conservation and environmental conservation. The Mines Law 1994 specifies oversight responsibility for monitoring of all explorations and mining permits residing in the Ministry of Mines. Under the Myanmar Mines Law, the Director General is the Chief Inspector of Mines and also responsible for scrutinising applications and granting of permits.
The Mining Enterprises¹⁸:	
The State-Owned No. 1 Mining Enterprise	SoE 1 is responsible for mining, production and marketing of antimony, lead, zinc, silver, iron, nickel and copper ores.
The state-owned No. 2 Mining Enterprise	SoE 2 is responsible for mining, production and marketing of gold, platinum, tin, tungsten, molybdenum, niobium, columbium, heavy minerals and gold ores.
The state-owned No. 3 Mining Enterprise	SoE 3 is responsible for the production and supply of industrial raw minerals such as bauxite, bentonite, gypsum, limestone, dolomite, clay, manganese and coals.
Myanmar Gem Enterprise (MGE)	MGE is responsible for mining and marketing of various precious gemstones and Jade.
Myanmar Pearl Enterprise (MPE)	MPE handles breeding and cultivating of mothers of Pearl, and Pearl production.
Myanmar Salt and Marine Chemical Enterprise (MSMCE)	MSMCE is responsible for production and marketing of common salt, marine chemical and soda ash.

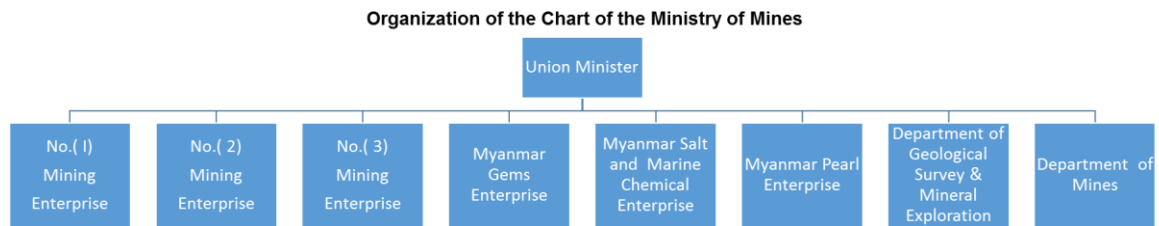
State Enterprises rely on a production sharing contract (PSC) system with private companies, by which 100% of the investments are borne privately and profits are shared between the two parties¹⁹. According to GOUM officials, all mines are now either JVs or have been privatised and State Enterprises are no longer involved in the mining operations.

The Local Valuation Committee is responsible for the evaluation of the products being declared. This committee meets at the regional MGE office on a weekly basis. The product is assessed and its value is determined. The royalty on production is determined according to the evaluation of the Local Valuation Committee.

¹⁸ According to the Myanmar Mines Law, 1994

¹⁹ The average PSC provides 30% of profits for the government and 70% for the private contractor. Besides the PSC, there is a 3% royalty levy, a 5% commercial tax, and a 2% income tax.

The Local Valuation Committee comprises representatives from MGE, the Gems and Jade companies, an external gems expert and representatives from other relevant Government Agencies (IRD, Customs).



In March 2016, it was announced that the Ministry of Mines and the Ministry of Environmental Conservation and Forestry (MOECAF) is merged into one ministry with the new incoming government. The ministry is now called the Ministry of Natural Resources and Environmental Conservation (MONREC).

3.3.6 Types of Mining permits

An organisation that wishes to carry out prospecting, exploration, large scale production or small scale production activities in relation to gemstones, metallic minerals, industrial minerals or stones, must apply for a permit.

Different permits are issued by the Ministry of Mines, depending on the type of activities, or on whether or not foreign persons are involved, and each permit will specify the conditions and restrictions that the applicant is required to comply with.

The mining legislation specifies six types of permits that can be issued (prospecting permits, exploration permits, large scale production permits, small scale production permits, subsistence production permits and an integrated permits).

Permit Type	Definition	Validity period
Prospecting permit	This is issued to a person or organisation desirous of carrying out prospecting operations of metallic minerals, industrial minerals or stones The total area of land for which the permit is attributed must not exceed 4,200 square km ²	Period not exceeding 1 year
Mineral Exploration Permit	This is issued to a person or an organisation desirous of carrying out exploration of metallic minerals, industrial minerals or stones. The total area of land for which the permit is attributed must not exceed 3,150 square km ²	Period not exceeding 3 years.
Large Scale Mineral Production Permit	This is issued to a person or an organisation desirous of carrying out large scale production of metallic minerals, industrial minerals or stones.	Period not exceeding 25 years
Small Scale Mineral Production Permit	This is issued to a person or an organisation desirous of carrying out small scale production operation of metallic minerals, industrial minerals or stones. The total area of land for which the permit is attributed must not exceed 1 km ²	Period not exceeding 5 years (with possible extension for 1 year)
Subsistence Mineral Production Permit	This is issued to a person desirous of carrying out subsistence mineral production operation of metallic minerals, industrial minerals or stones.	Period not exceeding 1 year
Integrated Permit	This is issued to a person or an organisation desirous of obtaining an integrated permit for more than one operations out of the three operations of mineral prospecting, mineral exploration, large scale production or small scale production of metallic mineral, industrial mineral or stones involving foreign or local investment.	

3.3.7 Award procedures for mineral concessions and licenses

The award of mining permits and licenses is governed by the Mines Rules 1996. There is a strict requirement that a person shall not prospect for minerals or carry on mining operations or mineral processing operations without the authority of a mining permit or mineral licence.

The Ministry of Mines is responsible for granting mineral rights. The general procedure required includes five stages:

Stages ²⁰	Procedure
Field visit	Meeting with the Ministry of Mines, accessing geological data supplied by DGSME, assessing historical records of previous activities in the area, studying mineral maps and gathering local knowledge by the investor.
Proposal	Submit a proposal or letter of intention to the Ministry of Mines and copied to DGSE. The proposal should clearly mention the area of interest and include coordinates, types of minerals, proposed activities (prospecting, exploration, feasibility study), amount of capital investment, technical capacity, methods that apply for the specific mining operation, duration and general terms preferred by the company; The following documents are required with the proposal: <ul style="list-style-type: none"> - Company Registration - Company Profile and other relevant facts about the company - Recommendation and endorsement of the respective Embassy in Myanmar - Financial statements - List of the Board of Directors - Initial work programme - Map of the proposed area with coordinates
Evaluation	Assessment by the Ministry of Mines and approval of the proposal
Draft agreement	Preparation of a draft Agreement (either the technical terms and conditions of an exploration permit or a PSC) including all relevant information about financial requirements (Signature Bonus, Dead Rent, Performance Bank Guarantee and minimum expenditure)
Approval	Submit the draft Agreement to MONREC's "Scrutinising Committee" for assessment. Upon approval by the Scrutinising Committee, submit the application to the Ministry for approval. Submit the application approved by MONREC to the Attorney General Office and the Office of the Auditor General for legal endorsement. Submit the application for other Ministries' endorsement (Forestry, Finance Submission to Myanmar Investment Commission for comments
Final negotiation with relevant MONREC Enterprise	Negotiation with the relevant MONREC Enterprise the economic, social and other benefits to be realised by both parties
Issue of mining permit	

It is worth noting that the mining legislation does not include clear provision on the application of the principle of "first come, first served" for granting mining permits. However, the right to the production permit is guaranteed in case of the discovery of a deposit by the holder of prospecting permit.

3.3.8 Register of mining permits

Currently, the mining legislation does not stipulate any procedures or provisions to keep, maintain, retain and safeguard mining permits in a public register. Information on permit holders and permit areas are therefore not publicly available.

²⁰ Facts of Joint Venture Procedures, Mom, July 2012

3.3.9 Policy on disclosure of contracts and licenses

Contracts disclosures

The Mines Rules allows MONREC to enter into agreements for prospecting, exploration or production with mining operators and to establish joint-ventures between mining State Owned Enterprises and operators (Rules 83 and 84). MONREC can enter into such contracts on a production-sharing basis or profit-sharing basis.

The mining legislation does not include any express restrictions on the public disclosure of contracts and licenses by the government. However, signed contracts are not currently published and there are likely to be contractual confidentiality provisions which could restrict the disclosure of information for EITI purposes. Depending on the scope of such confidentiality provisions, contract waivers or regulatory instruments may be required to permit mining contracts disclosure.

Given that contracts largely govern mining operations in Myanmar, there are likely to be contractual confidentiality provisions which could restrict the disclosure of information for EITI purposes.

Depending on the scope of such confidentiality provisions, contract waivers or regulatory instruments may be required to allow the disclosure of data for EITI reporting purposes.

If there are contractual barriers to disclosure and waivers are required from individual mining companies, it may be a time consuming process to seek such waivers. While the oil and gas industry in Myanmar is dominated by well-resourced international companies with MOGE as a focal government liaison, the mining industry is dominated by smaller companies with limited resources and limited government liaison. In such circumstances, legal or regulatory mechanisms are required to overcome contractual confidentiality obligations and to impose an EITI disclosure obligation on mining companies in order to be more efficient for the EITI implementation process.

Contract allocation and transfer disclosure

The Mining Legislation does not restrict the disclosure of the award or transfer of mining permits or the criteria used for the granting of a licence.

In practice, MONREC does not publicly release any information on the award or transfer of mining permits and there may be restrictions on disclosure of such information in mining contracts signed with operators.

3.3.10 State participation in the mining sector

Production sharing contracts

The Myanmar Ministry of Natural Resources and Environmental Conservation (MONREC) utilises Production Sharing Contracts (PSCs). Under a PSC agreement the investor is required to come up with 100% of the investment. The government takes a share of the production according to a production sharing ratio agreed between the mining joint venture partners. The Production Sharing Ratio is based on the mineral commodity such as Gold, Copper, Lead, Zinc, Tin, Tungsten, Nickel, Manganese, industrial raw, mineral and coal and the current commodity prices on the London Metal Exchange.

Government equity participation is between 20-25% at the initial stage depending on the size of the investment, with the option to purchase further shares up to 50% after recoupment of capital by the investor.

State Owned Enterprises (SOEs)

The State-owned Economic Enterprise Law grants the government discretion to allow investment either as joint-venture between the government and the investor, or to allow the investor to pursue the enterprise independently under prescribed conditions.

Where the relevant Ministry considers that the application should be dealt with under the Foreign Investment Law, the company will be required to obtain a Foreign Investment Law permit instead. Factors which suggest the Foreign Investment Law is applicable include: whether the Ministry believes the operation should be a joint venture with a State Owned Enterprise and the size of the proposed operation.

Joint venture companies which partner with the State or a State Owned Enterprise must obtain a Foreign Investment Law permit along with a Companies Act permit. Foreign Investment Law permits are issued by the Myanmar Investment Commission (MIC). For joint-ventures, MIC has discretion to stipulate minimum equity participation requirements for each partner.

Even though the State-owned Economic Enterprise Law remains in effect, the Foreign Investment Law largely determines, in practical terms, how GOUM exercises its involvement in the extractive industries sector. In contrast to the State Owned Economic Enterprises Law, GOUM no longer exercises its right to monopolise the extraction of resources.

Military Holding Companies

The two large military holdings companies, Union of Myanmar Economic Holdings (UMEHL) and (Myanmar Economic Corporation) MEC hold important positions in Myanmar's economy, including in the energy, mining and gems sectors. These two conglomerates which report to directorates of the Defence Services are set up under laws that provide protections and privileges to state-based companies.

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 accomplished through a combination of profit distribution and job provision for family members of military personnel as well as for veterans themselves.

UMEHL

UMEHL was established in 1990 under the Special Companies Act as the economic arm of the Burmese military, during a period of privatisation and transition from a socialist command economy, with an initial capital of USD1.6 billion. UMEHL was established to generate profits from light industry and the trade of commercial goods.

In the mid-2000s it expanded into services and trading activities. Its current holdings include stakes in almost all sectors of the Myanmar economy.

UMEHL conglomerate is jointly owned by two military departments: the Directorate of Defence Procurement and Defence Personnel (active and veteran), including high-ranking military officials. UMEHL is exempt from commercial and profit taxes.

UMEHL classifies its holdings into three categories: fully-owned and-operated, affiliate subsidiaries and joint ventures. Fully-owned UMEHL companies have significant roles in extractives industries.

Its subsidiaries include Myanmar Imperial Jade Company and Myanmar Ruby Enterprise, which operates mines at Mogoke, Mongshu, Nayar, Mawchi and Thabeikkyin. Some of these operations are subcontracted to other domestic companies.

Table : UMEH Mining Interests (non-exhaustive)

Region/state	Area	Type
Mandalay	Kyaukpukhet	Limestone
Mandalay	Hsin Mountain	Granite
Mon	Mayangon	Granite
Mon	Kyauk Mae Mountain	Granite
Mon	Tin War Mountain	Granite
Sagaing	Kyay Sin Mountain	Copper
Sagaing	Kyauk An Che	Coal
Sagaing	Letpadaung Mountain	Copper

MEC

The Myanmar Economic Corporation (MEC) was set up in 1997, during the Asian financial crisis. MEC is one of the two major conglomerates and holding companies operated by the Burmese military forces. Founded in 1997 to set up profitable heavy industries that can provide the Burmese military access to supplies of important materials (e.g. cement and rubber).

MEC is operated under the Ministry of Defence's Directorate of Defence Procurement (DPP), with its private shares exclusively owned by active-duty military personnel. The corporation's capital was issued through revenues generated from the public auctioning of State-Owned Enterprises

throughout the 1990s. Through joint ventures with foreign companies and mergers with smaller companies, MEC has positioned itself as one of Burma's largest corporations.

Unlike UMEHL, MEC was more explicitly focused on serving the industrial and technological needs of the armed forces, as well as on larger-scale infrastructure projects. Although less is publicly known about MEC than UMEHL, OAG has the power to request audits from MEC but not from UMEHL.

MEC's mining interests include some mines operating in:

Table : MEC Mining Interests (non-exhaustive)

Region/state	Area	Type
Kayin	Than Dai Mountain	Limestone
Mandalay	Yathayt Mountain	Marbre
Shan(East)	Mongku	Coal
Tanintharyi	Maw Taung	Coal
Shan(East)	Maw Taung	Gypsum

3.3.11 Reforms in the mining sector

Recent amendments to the Myanmar Mines Law of 1994 through the enactment of Law N°. 72/2015 on 24 December 2015 (the "Mines Law Amendments") constitute some progress towards addressing areas of concern to potential investors.

The changes brought by the Mines Law Amendments include:

- increasing the maximum production permit period to 50 years for large scale production projects only;
- giving exploration permit holders a clear right to production permits;
- allowing joint ventures, between foreign investors and local investors, in the case of small and medium scale production projects upgraded to become large scale production projects;
- specifying the criteria for determining size of individual production permit areas; and
- providing a guaranteed right to extraction/production permit for those who have successfully carried out prospecting and exploration and completed a feasibility study.

A summary of the other major amendments under the Mines Law Amendments is provided in the table below:

1	Large Scale Extraction/Production (Section 2(k))	Permit term is now 15 to a maximum of 50 years
2	Foreign Investment (Section 4(a))	Specifically allowed for any of: (a) prospecting (b) exploration & testing (c) feasibility study (d) Large Scale Extraction/Production only (e) processing (f) trading and selling
3	Joint Ventures (Section 4(f))	Joint ventures with foreign investment are allowed for large scale extraction/production by way of conversion or upgrading of existing locally owned small or medium sized projects depending upon: (a) survey reports (b) quality and volume of deposits
4	Permits (Section 7(a) & (c))	Ministry of Mines with consent of Union Government authorized to grant permits for: (a) all permitted mining projects with foreign investment (b) conversion/upgrade of locally owned small/medium scale projects to large scale extraction/production projects operated as joint ventures with foreign investment (Section 11(a)) - All permits for other non-foreign investment projects to be granted by newly formed Regional or State Permitting Boards.
5	Classification of Production (Section 11)	Classification of production scale will be made taking into account: (a) operating conditions/area (b) distances (c) amount of investment required (d) equipment and machinery usage
6	Right to Extraction/ Production Permit (Section 11(a))	A guaranteed right to extraction/production permit for those who have successfully carried out prospecting and exploration and completed a feasibility study
7	Availability of Buying/Selling Permits (Section 11(b))	Non-producers wanting to carry out purchasing and processing of minerals may obtain buying/selling permits
8	Royalty Payment Currency (Section 12(g))	Foreign investors must pay royalties: (a) in Myanmar currency (b) calculated using exchange rate published by central bank
9	Royalty Rates (Section 18)	Applicable rates changes as follows: (a) gold, platinum, uranium etc. - now 5%, previously 4% to 5% (b) silver, copper, tungsten etc. - now 4%, previously 3% to 4% (c) iron ore, zinc, lead, aluminum, manganese etc. - now 3%, previously 3% to 4% (d) industrial minerals and stone - now 2%, previously 1% to 3%
10	Calculation of Royalty Amount (Section 19)	Royalty amount to be calculated based on: (a) percentage of pure metallic mineral content (b) using prevailing international prices

11	Environmental Obligations (Section 13(e)(1))	Obligation to establish to reserve fund for environmental conservation
12	Reclamation Obligations (Section 13(e)(2))	Obligation to prepare and carry out mine exit/reclamation plan re post mining period
13	Exclusion of Gemstones (Sections 2(b), 19 and 21)	Gemstones and gemstone mining are no longer part of Mines Law and will, presumably, be separately regulated
14	Offences and Penalties (Sections 30(a) and 32-A)	Large increases in prison terms and fines for Mines Law offences
15	State Participation (Section 35(A))	<p>Ministry of Mines may carry out mineral extraction/production with permit holders jointly/in joint venture</p> <p>Ministry production joint ventures shall be in the form of:</p> <ul style="list-style-type: none"> (a) production sharing with allowance for certain expenses (b) equity sharing (c) profit sharing based on parties' respective contributions

The second amendments to the Myanmar Gemstone Law (23/2016) were passed by the Pyidaungsu Hluttaw on 29 January 2016. The first amendments were made in 2003 and were minimal. The second amendments (2016) update approximately 75% of the 1995 Law.17. Notable changes include:

1. Clearer categorisation of gemstone products (previously not clarified):
 - a. rough gemstones;
 - b. finished - cut, polished, refurbished, shaped and sculpted out of rough gemstones and gemstones that have not been made into jewellery yet;
 - c. jewellery; and
 - d. items made of gemstones.
2. Gemstone Production Permits (previously just one permit type – ‘gemstone production permit’ - now categorised as follows):
 - a. large-scale exploration and production – commercial scale, technology and machinery to be used as designated by MONREC, tenure = 10 years, awarded via competitive bidding;
 - b. medium-scale exploration and production – commercial scale, technology and machinery to be used as designated by MONREC, tenure = 5 years, awarded via competitive bidding;
 - c. small-scale exploration and production – ‘a business without needing much capital’, technology and machinery to be used as designated by MONREC, tenure = 3 years, awarded via application; and
 - d. very small-scale exploration and production - using manual operation equipment or a machine with very low horsepower, as designated by MONREC after discussing with the State or Division Government, tenure = 1 year, awarded via application.

The amended law does not provide any further clarity or definition for these categories.

3. A new ‘Permit to Use Land’ will be awarded for the building of temporary structures, warehouses and accommodation relevant to gemstone extraction and production, for keeping vehicles, machinery, for sorting, producing and cutting rough gemstones, for washing waste material, and for dumping waste material.

4. Strengthened requirements regarding how a gemstone tract and block is identified and designated (Chapters 3 and 4), including:
 - a. large scale and medium scale - MONREC retains control, determines floor price, invites competitive bids, issues permit to company with the highest bid, shares profit with permit holder; and
 - b. setting up of State or Division 'Scrutinising or Permitting Bodies' – with power to evaluate applications, issue Small Scale or Very Small Scale permits, and to determine their floor price and tenure
5. New Royalty /Service Charge (Replaces 10% Foreign Currency Sales Royalty, of which 3% is retained by MGE and 7% goes to IRD):
 - a. 3% service charge on sale value of rough gemstones (after the stone has been registered and production royalty paid); and
 - b. 1% service charge on sale value of finished gemstones, jewellery or any items made of gemstones.
6. Strengthened responsibility for MGJEA (Central Supervisory Committee and Gems Emporium)
7. Inspection – role of Chief Inspector as DG of Ministry of Mines remains the same, however with clarified responsibility for MGE officers to be designated inspectors as well as officers from the Department of Mines.
8. Penalties and Offences – reduction of some terms e.g. number of years of imprisonment
9. Slightly strengthened environmental and social considerations
10. 2% of permit-holder profits to 'go toward a fund for the development of health, education, transportation and other items where necessary for the operation region'. No further elaboration on this is provided.

3.3.12 Exports

According to the data collected from the CSO, the direct exports of Gems and Jade in Myanmar amounted to US\$ 1 027.2 million and US\$ 586.3 million for the FY 2014-2015 and FY 2015-2016 respectively. Exports of other minerals amounted to US\$ 442.3 million and US\$ 374.4 million for the FY 2014-2015 and FY 2015-2016 respectively.

3.4. Budget process

In Myanmar, accounting is on a cash basis, following the double entry principle. Most payments are made through the Myanmar Economic Bank (MEB) by cheques or bank transfers. Tax revenue is usually paid into MEB by the taxpayer directly, based on an assessment raised by the tax authorities although some fees and charges are collected in cash and paid in by the relevant Government Agency.

Accounting records are originated by the spending/revenue raising Government Agency. Aggregation and reconciliation for reporting and control purposes are conditioned by the largely manual, paper based processes that are still used in both the originating agencies and in MEB.

The accounting year for the Government runs from April to March. Accounts are prepared in the form of consolidated financial statements, including several annexes. Copies of the financial statements are provided to the Minister of Planning and Finance and Revenue, the Cabinet, and the President, but are not published or made available to the public.

The financial statements show cash payments and receipts as well as movements in cash balances. There are a large number of off-budget accounts ("Other accounts"), but the movements in these accounts are recorded in an annex to the main financial statements. However, the balances on these accounts are not disclosed.

Cash transactions of SEEs are also included in these financial statements, but each SEE is also required to produce separate accounts on a "commercial" accounting basis.

Since 2011, the Parliament has set up two specialised committees for the purpose of providing oversight of the Government's public finances. The Public Accounts Committee (PAC) has a bipartisan membership and vets the budget bill and the audit report. The Planning and Finance Committee is responsible for reviewing the national development plan and legislative matters relating to the financial sector. Since 2012/13 these committees have reviewed and rationalised the executive budget proposal significantly and have been instrumental in having the approved Budget Law published in the local press.

In order to coordinate and integrate state and regional budgets with the Union budget, the government has also set up the Financial Commission and the National Planning Commission. Since 2011, the new planning and budgeting practices has resulted in a decentralisation of Public Financial Management (PFM) policy functions from the President's Office to the Ministry of Planning and Finance and Revenue and the Ministry of National Planning and Economic Development (MNPED) respectively.

3.5. Fiscal devolution

Under the current system, as Union government spending is recorded in the budget by sector ministry rather than by location, the total levels of Union government expenditure in each state or region are not available.²¹

State and regional governments in Myanmar were created by the 2008 Constitution and set up in March 2011. Myanmar today comprises seven states and seven regions, five self-administered zones, one self-administered division, and Nay Pyi Taw as a Union territory. State and regional governments are led by chief ministers who are appointed by the President from among members of the state/region Hluttaw (parliament).

Under the 2008 Constitution, state and regional governments are empowered to enact laws and collect taxes from the extractive sector, but only for marginally significant types of operation. In each state or region, there is a unicameral Hluttaw (with two elected members per township, and 25% of the parliament sourced from the Defence Services), as well a Chief Minister and a Cabinet. The Chief Minister is selected by the President and confirmed by the Hluttaw. The sub-national Hluttaw is entitled to set its own budgets (under Article 252), based on the threshold set by the annual Union budget.

Under the 2008 Constitution, subnational involvement in natural resource management and revenue collection is limited. The legislative areas and administrative responsibilities of state and region governments are listed in Schedule Two of the 2008 Constitution. Oil and gas and mining are not included in Schedule Two, with the exception of a few areas such as salt products, firewood and gemstone cutting and polishing.

Schedule Five of the 2008 Constitution stipulates the taxes collected by states and regions. These include land and mineral taxes collected by the General Administration Department, taxes on allowed timber species and forest products collected by the Forestry Department and electricity charges from small hydropower stations.

Tax revenues in the 2013–14 state/region budget from minerals (collected by the General Administration Department under the Ministry of Home Affairs) represent a total amount of Kayat 134 million which is not material in the context of Myanmar.

There are a few experimental taxes/fees for which a certain percentage is retained according to a derivation principle—meaning, remaining in the state/region they were collected. In the past year, for example, 25% of the fees collected for motorcycle licenses were 'given to the state and region' in an effort to increase the number of licensed motorcycles. Kachin State officials reported receiving 400 million kyat from this source in the 2013/14 fiscal year. No natural resource payments are currently collected in this way.

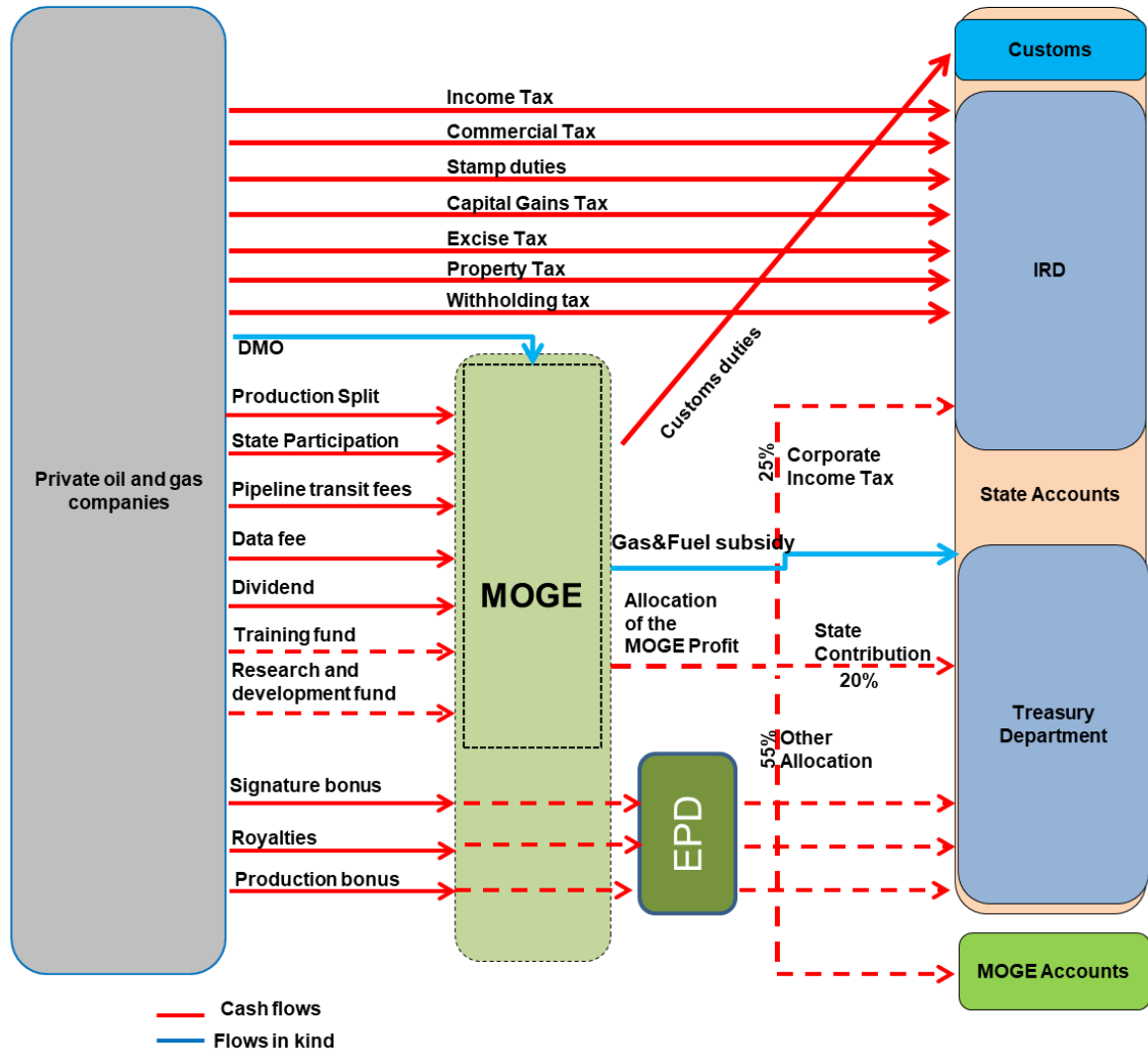
Natural resource-related payments to Union ministries or the Internal Revenue Department are not generally reported to the Ministry of Planning and Finance according to their region of derivation. A company, for example, would pay profit tax from its company headquarters to the township officer of the Internal Revenue Department, not at the site of resource extraction.

²¹ The deconcentrated channel of funds for states and region departments of union ministries are not presented in national budget documents; the parent union ministry is the primary budget unit, and there is not currently a secondary budget classification that clearly breaks out state/region spending at union level. Together, these factors mean that it is currently very difficult to answer the most basic question about fiscal decentralization: how much of Myanmar's public spending is decentralized, and to what levels?' (Nixon and Joelene, 2014)

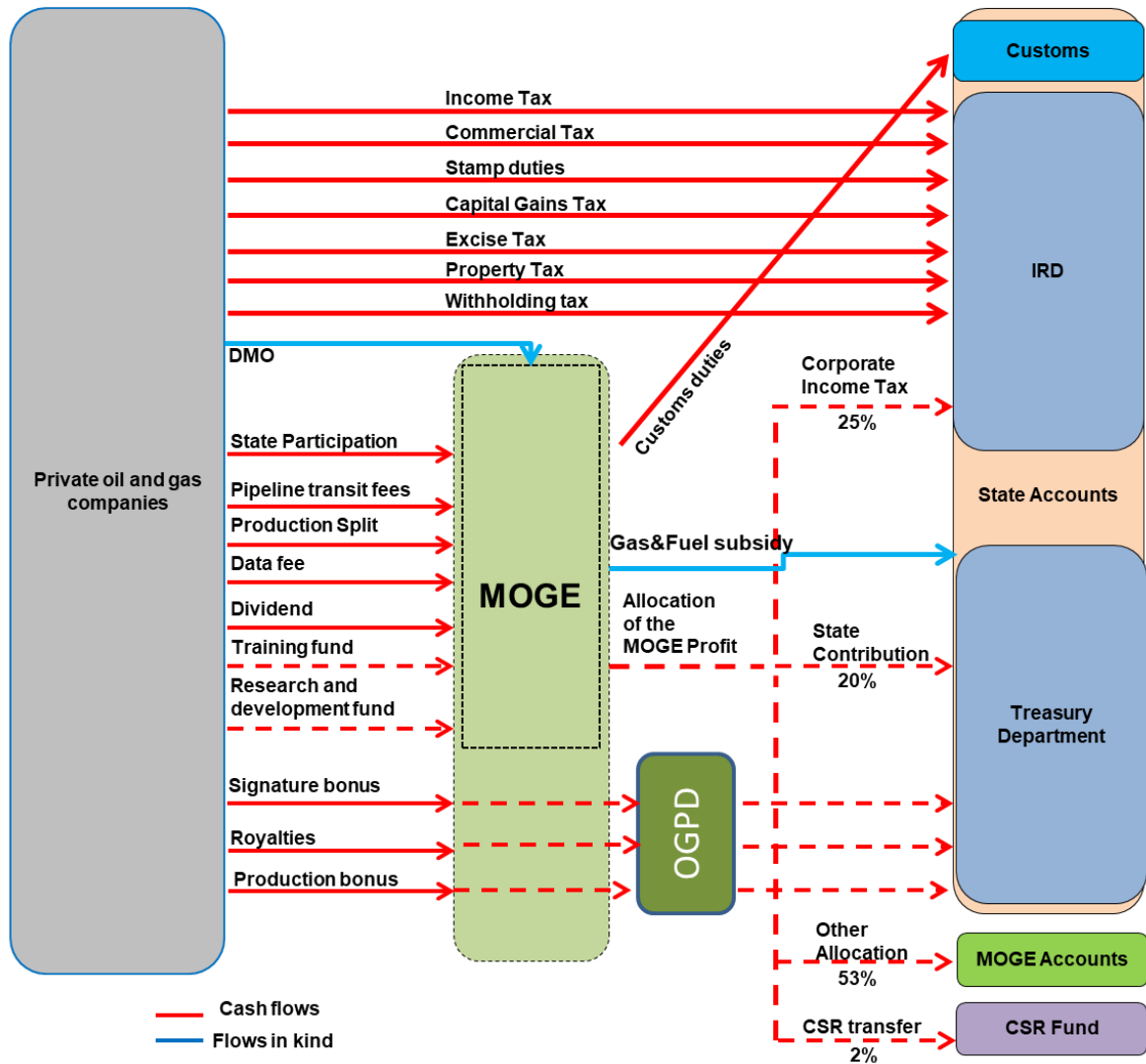
3.6. Revenues collection

3.5.1. Oil and Gas payments flow

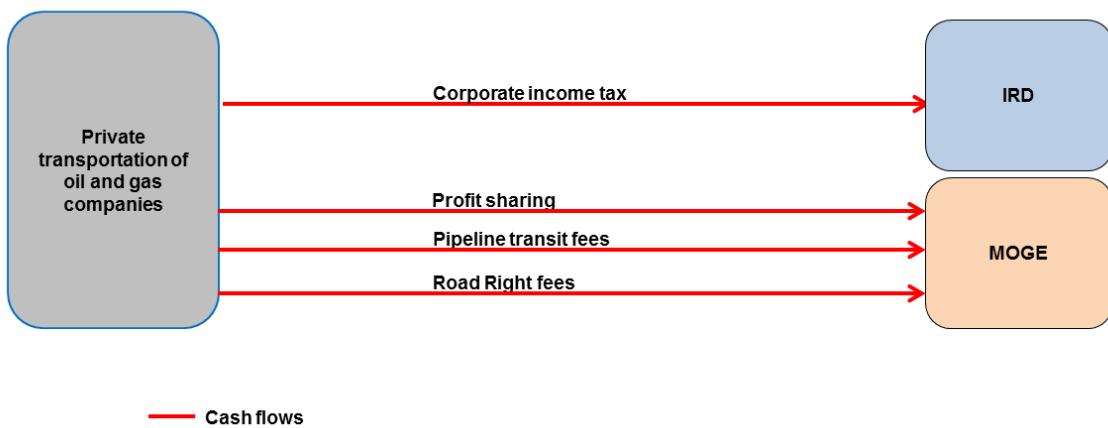
FY 2014-2015



FY 2015-2016



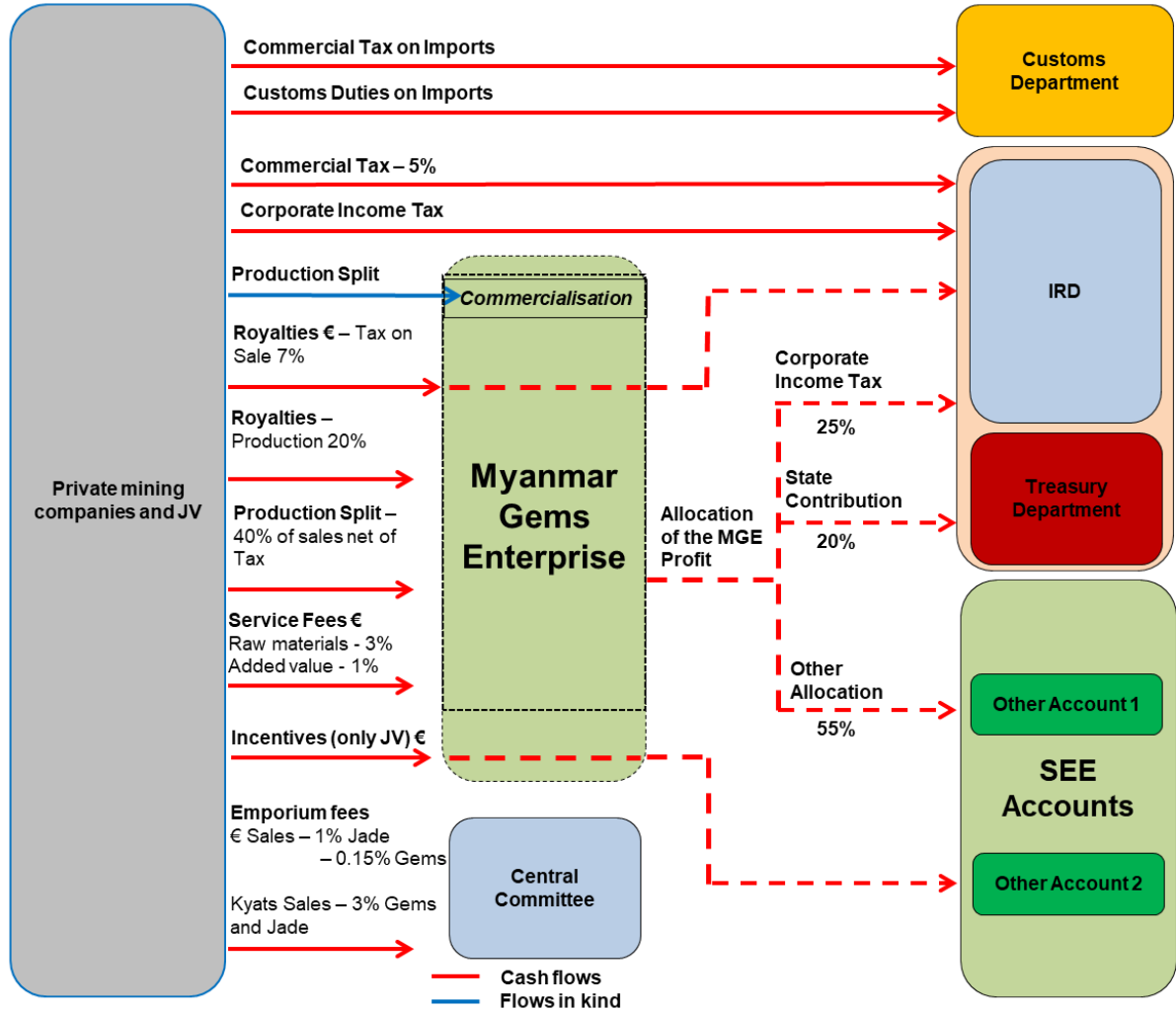
Transportation of Oil and Gas payments flow



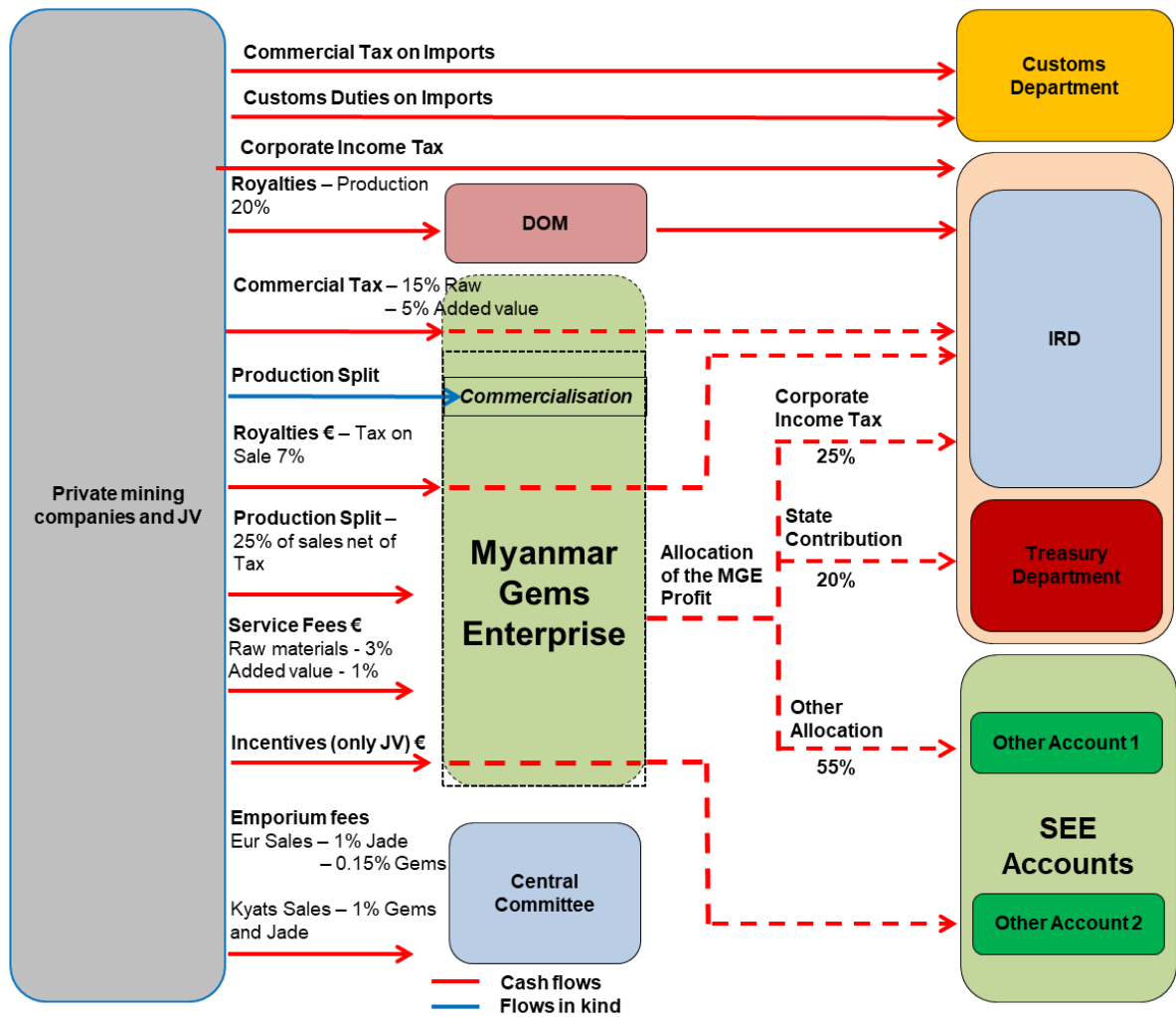
3.5.2. Mining sector payments flow

a. Jade and Gemstones

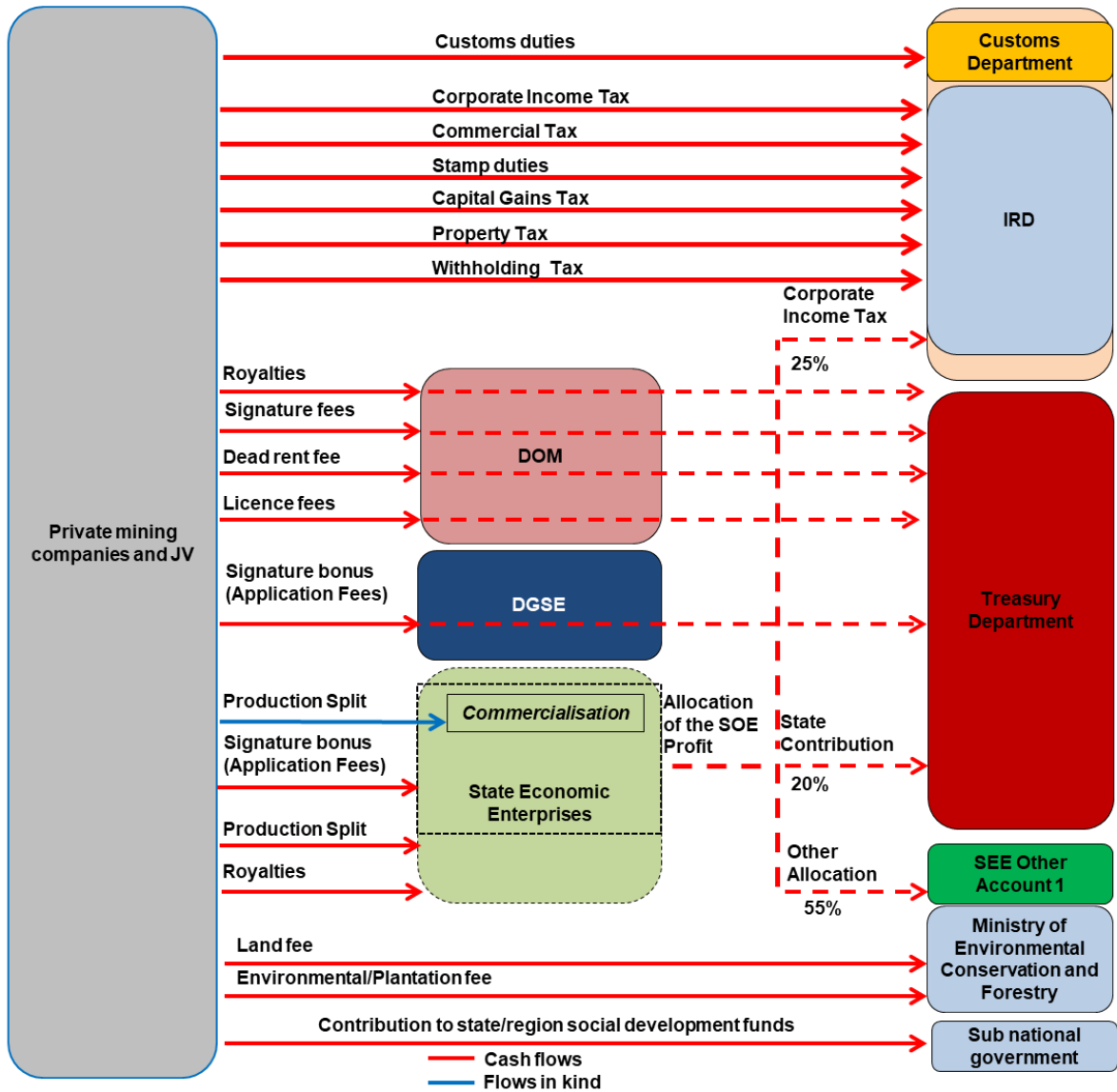
FY 2014-2015



FY 2015-2016



b. Other minerals



3.7. Beneficial ownership

3.6.1. Legal and regulatory framework governing companies

The legal framework governing companies incorporated in Myanmar is the Companies Act 1914 and subsidiary legislation, Myanmar Companies Rules 1940, Myanmar Companies Regulations 1957) and Special Companies Act (1950) (if joint venture with government enterprise) (together, the “Companies Legislation”).

The Companies Legislation provides guidelines for the formation, administration, and winding up of registered corporate bodies. The Companies Legislation is expected to be reformed in the near future to include further transparency and disclosure provisions in the law.

There are various types of companies which can be formed in Myanmar; namely limited by shares, limited by guarantee and unlimited companies. Furthermore, in Myanmar a company can be classified either as a private company or a public company. A “private company” means a private company limited by shares, a company limited by guarantee or an unlimited company. On the other hand, a “public company” means a company incorporated as such, being a company satisfying §13A of the Companies Act 1914.

3.6.2. Beneficial ownership in Myanmar’s legal and regulatory framework

Disclosure requirements for private companies

The definition of “beneficial ownership” should not necessarily be linked to share ownership. Owning more than a certain percentage of shares certainly gives a meaningful indication of beneficial ownership. However, in identifying the real beneficial owner, the focus should also be on contractual and informal arrangements.

The notion of control or beneficial ownership has not been treated by the Companies Legislation and there is no requirement to disclose information about the ultimate beneficial owners.

Disclosure requirements for mining companies

There are no obligation or restrictions on the disclosure of beneficial ownership information by the Government, State Owned Enterprises and private companies under the Mining Legislation. MONREC and mining companies do not currently disclose such information publicly.

Disclosure requirements for Oil & Gas companies

On the same terms as per the mining sector, the notions of beneficial ownership and control have not been covered by the oil and gas legislation.

Many of the private operators in the Myanmar oil and gas sector are wholly owned by listed companies which would not be subject to BO disclosure. The other main group of industry players in the Myanmar oil and gas sector are foreign government owned enterprises for which disclosure of ownership details should not present too much difficulty with regards to BO disclosure. A potential group of industry players that this reporting requirement would impact are private companies registered in Myanmar which have been set up to partner with foreign companies in the bids for onshore and shallow water offshore blocks.

Disclosure requirements for Government officials

Currently, there are no specific rules for government officials to disclose their interests, incomes or assets in/from the extractive sector.

Only the members of the Anticorruption Commission are required to disclose money, property, assets and liabilities of their respective families including beneficial ownership to the President according to the provisions of the Anticorruption law 2013.

3.6.3. EITI requirements

The 2016 EITI Requirement recommends that implementing countries maintain a publicly available register of the beneficial owners of the corporate entity(ies) that bid for, operate or invest in extractive assets, including the identity(ies) of their beneficial owner(s), the level of ownership and details of how ownership or control is exerted. Where possible, beneficial ownership information should be incorporated in existing filings by companies to corporate regulators, stock exchanges or agencies regulating extractive industry licensing. Where this information is already publicly available, the EITI Report should include guidance on how to access this information.

By 1 January 2017, the multi-stakeholder group publishes a roadmap for disclosing beneficial ownership information in accordance with clauses (c)- (f) below. The multi-stakeholder group will determine all milestones and deadlines in the roadmap, and the multi-stakeholder group will evaluate implementation of the roadmap as part of the multi-stakeholder group's annual progress report. The draft Beneficial Ownership Roadmap is available in the EITI website under the following link:

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

The EITI standard provides a basic definition of beneficial ownership, and states that the information made available should include the identity of each company's beneficial owner or owners, and their level of ownership. Where information is already publicly available, for example, through stock exchange disclosures, EITI reports should include guidance on how this information can be accessed.

Beneficial Ownership as defined by the EITI Standard

- i) A beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity*
- ii) The multi-stakeholder group should agree an appropriate definition of the term beneficial owner. The definition should be aligned with (f)(i) above and take international norms and relevant national laws into account, and should include ownership threshold(s). The definition should also specify reporting obligations for politically exposed persons.*
- iii) Publicly listed companies, including wholly-owned subsidiaries, are required to disclose the name of the stock exchange and include a link to the stock exchange filings where they are listed.*
- iv) In the case of joint ventures, each entity within the venture should disclose its beneficial owner(s), unless it is publicly listed or is a wholly-owned subsidiary of a publicly listed company. Each entity is responsible for the accuracy of the information provided.*

3.6.4. Proposed Definition of Beneficial Ownership

Based on the review of Myanmar's legal framework which does not include provisions relating to the beneficial ownership definition or disclosure and taking into account EITI Requirement 2.5, the following definition of Beneficial Ownership was agreed by MSG:

Proposal for a definition of beneficial ownership

A beneficial owner is a natural person(s) who, directly or indirectly, ultimately owns or controls a public or private company or corporate entity. A person is automatically considered to be a beneficial owner if they own or control 5% or more of the public or private company or corporate entity.

- The individual holds, directly or indirectly, 5% and above of the shares within reporting period which is 2014-2015 & 2015-2016 in the public or private company or corporate entity.*
- The individual holds, directly or indirectly, 5% and above within reporting period which is 2014-2015 & 2015-2016 of the voting rights in the public or private company or corporate entity. Voting rights held by the public or private company or corporate entity, itself are disregarded for this purpose.*
- The individual holds, directly or indirectly, the voting rights in the public or private company or corporate entity. Voting rights held by the public or private company or corporate entity, itself are disregarded for this purpose.*
- The individual holds the right, directly or indirectly, to appoint or remove a majority of the board of directors of the public or private company or corporate entity.*
- The individual has the right to exercise, or actually exercises, significant influence or control over the public or private company or corporate entity.*

Reference to "ultimately owns or controls" refer to situations in which ownership/control is exercised through a chain of ownership or by means of control other than direct control. This definition should also apply to a beneficiary under a life or other investment."

The following definition of Politically Exposed Persons (PEPs) was agreed by the MSG:

Politically Exposed Persons (PEPs)

PEPs are defined as individuals belong to one of the following categories:

- **Domestic PEPs:** individuals who are or have been entrusted domestically with prominent public functions, for example, Cabinet Members at Union level & State and regional level, Members of Parliament both Union level and state and regional level, senior government (Deputy Ministers, Permanent secretaries, DGs, DDGs, Directors, Auditor General, Central Bank, etc..) , judicial or military officials **including Ethnic Armed Organizations' senior leaders and officials**, senior executives of state owned corporations, important political party central committee members and key influencers.
- **Foreign PEPs:** individuals who are or have been entrusted with prominent public functions by a foreign country, for example Heads of State or of government, senior politicians, senior government Officials, judicial or military officials, senior executives of state owned corporations, important political party officials and diplomats.
- **International organization PEPs:** persons who are or have been entrusted with a prominent function by an international organization, refers to members of senior management or individuals who have been entrusted with equivalent functions, i.e. directors, deputy directors and members of the board or equivalent functions, International Financial institution's leaders and senior staffs.

PEPs shall also be defined to include:

- **Family members** who are related to a PEP in one of the categories above either directly (consanguinity) or through marriage or similar (civil) forms of partnership, to the second degree of relation.
- **Close associates** who are closely connected to a PEP in one of the categories above, either socially or professionally.

3.6.5. Beneficial ownership declaration

According to the above proposed definition, the companies to be selected for reporting information on their beneficial ownership would be required to submit a beneficial ownership declaration (See annex 1). Accordingly, the following information should be made available:

- **Name of beneficial owner.** full name(s) of the company's beneficial owner(s) and information on their identity (ies) including:
 - **Name of any politically exposed person**, where any owner is also a 'politically involved person', this should be mentioned.
 - **Identifying details.** Additional details are required in order to narrow down a beneficial owner to one individual.
- **Contact.** A means of contacting the beneficial owner such as a business address.
- **Means of control.** A description of how the beneficial owner and any politically engaged persons exercise control over the company. If there is a chain of companies between the beneficial owner and the natural resource asset, for example, this would mean the name of every company within the chain. In some cases, there may be an additional link, such as a private agreement between the beneficial owner and the owner of the last company in the chain, in which case this additional link should also be declared. Third parties should then be in a position to verify some, if not all, information declared in the shareholder registers.
- **Signed statement of accuracy:** a senior official from the company should sign a statement to confirm that the information provided is accurate.

3.8. Auditing and accounting

3.7.1 Private companies

Under the Myanmar Companies Act (MCA) companies must keep proper books of accounts at their registered office. Financial statements must be prepared in accordance with Myanmar Accounting Standards (MAS).

Accounting practices in Myanmar have been historically based on British accounting standards and Generally Accepted Accounting Principles (GAAP). For several years, Myanmar adopted International Accounting Standards for reporting purposes, while the Myanmar Accountancy Council (MAC), through the Myanmar Institute of Certified Accountants (MICPA) has adopted the majority of International Accounting Standards that existed in 2003 and 2004. In 2010, MAC withdrew all 30 of International Accounting Standards and replaced them with 29 new Myanmar Accounting Standards and 8 new Myanmar Financial Reporting Standards that were identical to the 2010 International Financial Reporting Standards (IFRS). Such standards were published in the Official Gazette and became effective on 4 January 2011.

Public companies and financial institutions are required to apply MFRS (Myanmar Financial Reporting Standards, which are a word-for-word equivalent of IFRS). SMEs must apply MFRS for Small and Medium Enterprises (SMEs) (word-for-word equivalent of IFRS for SMEs).

The tax assessment year runs from 1 April to 31 March. This is mandatory even for branches of foreign companies which may have a different financial year-end.

The Myanmar Companies Act requires companies to appoint an auditor and companies are required to submit audited financial statements to the tax authorities annually by 30 June.

Section 145(1) of the Myanmar Companies Act requires an auditor to report to the members of a company on the financial statements examined by the auditor at the annual general meeting. The auditor's report must state, amongst others, 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 gives a true and fair view of the state of affairs of the company. The opinion should also state whether the company's accounting records have been kept by the company as required by law.

3.7.2 Public sector and SEEs

In Myanmar there is a special government body –OAG – the supreme audit institution, which is accountable to the Parliament through the President. This body carries out controls over the execution of the State's budget and payment of taxes and other mandatory payments, including payments from SOEs and partners.

OAG was set up under the 2008 Constitution as an independent agency, for the appointment of the Auditor General. This was made by the President with the approval of the Parliament.

OAG performs audits consistent with International Organisation of Supreme Audit Institutions (INTOSAI) audit standards.

All SEEs are required to submit bi-annual financial reports which have been prepared in accordance with General Accepted Accounting Standards to OAG. According to OAG, the annual audit includes all tax and non-tax payments made by all partners to the extractive industries sector project.

OAG has the power to audit joint venture partners as well as MEC but not UMEHL, which has its own auditors. OAG also has the power to audit private companies, but currently lacks the capacity and the resources to do so.

OAG sends bi-annual summary reports both to the Presidency and to the Public Accounts Committee in Parliament. However, there are no penalties for delayed submissions. In some cases, it may take up to a decade to produce an audited report.

The Auditor General is also Chairman of the Myanmar Accountancy Board which deals with accounting standards in Myanmar. Accounting standards have been developed for the commercial sector which is also applicable to SEEs in the "commercial" form of their accounts. But, to date, there are no standards or statements of practice that apply to the Government's financial statements which include SEE activities prepared on a cash basis in parallel.

Accounting is maintained on a simple cash based double entry system, however, the current form of the financial statements does not fully reflect the IPSAS requirements.

4 Materiality analysis

4.1. Introduction

The EITI Standard defines materiality as follows: “Payments and revenues are considered material if their omission or misstatement could significantly affect the comprehensiveness of the EITI Report.”

Different ways could be used to define materiality for the 2014-2015 and 2015-2016 EITI Reports. The most common way consists of defining materiality in terms of a minimum value of payment to government; the other could be based on the size of the company (for example, a minimum annual size) or the type of permit held (large scale, production).

The purpose of this section is to propose thresholds so that the reconciliation report covers all material payments and revenues from the extractive sector in Myanmar. The materiality analysis in this report was based on company data provided by government agencies on the basis of the aggregate of their projects rather than on the projects themselves.

The aggregate tax data used include all relevant benefit streams stated in oil and gas and mining legislations. Common taxation including Income Tax, CT and customs duties were also considered for the materiality analysis.

4.2. Analysis of payments to government

4.2.1. Common taxation analysis (tax revenue streams)

Payments flows

The Internal Revenue Department (IRD) within MoPF is responsible for the collection of taxes revenue streams. The IRD 2014-2015 and 2015-2016 income reports shows 2 types of taxes paid by extractive companies:

In billion kyats

Sector	FY 2014-2015		FY 2015-2016	
	Commercial Tax	Income Tax	Commercial Tax	Income Tax
Oil and Gas companies	-	-	10.96	44.50
Oil and Gas transportation companies	-	-	0.64	0.44
Gems and Jade companies	51.69	13.38	34.16	13.98
Other minerals companies ²²	0.05	0.20	0.08	0.21
Total	51.74	13.58	45.84	59.12

The list of other taxes collected by IRD from the extractive sector (Oil & Gas and mining) and identified through the regulation review and the interviews undertaken with the Government Agencies is as follow:

In billion kyats

N°	Payment flows	Amount reported in the 2013-2014 MEITI report (for reference purpose)
1	Capital Gains Tax	1.37
2	Withholding Tax	1.91

The Income reports for the FY 2014-2015 and FY 2015-2016 do not include payments related to the above payments flows. As a result, we were not able to assess the materiality related to these payment flows.

²² Excluding pearls sector which will be included as an annex to the EITI Report

The Customs Department within MoPF is responsible for the collection of customs duties. The customs 2014-2015 and 2015-2016 income reports shows two types of taxes paid by extractive companies:

Sector	FY 2014-2015		FY 2015-2016	
	Customs duties	Commercial Tax	Commercial Tax	Commercial Tax
Oil and Gas companies	6.94	15.54	27.08	54.10
Gems and Jade companies	5.53	32.75	5.10	26.16
Other minerals companies	1.15	3.07	1.30	3.04
Total	13.62	51.36	33.48	83.30

In billion kyats

Although the bulk of natural resource taxes are collected via the relevant line ministries (MoPF, MoEE and MONREC) other entities also collect taxes. The General Administration Department under the Ministry of Home Affairs (MoHA) collects: land tax, dam tax, and mineral tax. However, the revenues collected by MoHA from all sectors during fiscal year 2014-2015 amounted to kyats 8.37²³ million only and therefore these flows could be considered as being not material in the context of Myanmar.

Proposed scope

We recommend to include all tax revenues, except those collected by MoHA, in the scope for the 2014-2015 and 2015-2016 EITI Reports.

According to the above, the payment flows for the tax revenues flows that we propose to be included in the 2014-2015 and 2015-2016 reconciliation scopes may be summarised as follows:

N°	Payment flows (IRD)
1	Commercial Tax
	Income Tax
2	2.1 Capital Gains Tax
	2.2 Withholding Tax
N°	Payment flows (Customs)
1	Customs duties
2	Commercial Tax

4.2.2. Oil and Gas payments analysis (non-tax revenue streams)

Payments flows

FY 2014-2015

The MOGE 2014-2015 income report shows 12 types of payments received from the oil and gas sector. We note that the three operators in the Yadana, Yetagun and Shwe fields made a total payment of MMK 1,550.09bn which accounts for 97.7% of the total non-tax revenues.

The table below is a summary of the non-tax revenues collected by MOGE during the fiscal year 2014-2015:

Non-tax payment	In billion kyats		
	Amount	Cumulative	%
State participation - Gas Sales	961.12	961.12	61%
Royalty	193.42	1,154.54	73%
Transportation Fees	181.22	1,335.76	84%

²³ MDRI-CESD translation from the Mirror newspaper, 14 April 2014.

Non-tax payment	Amount	Cumulative	%
State participation - Condensate Sales	140.97	1,476.73	93%
Shwe Project	69.48	1,546.22	97%
Shareholder Loan	14.66	1,560.87	98%
Andaman Interest	9.68	1,570.56	99%
Right of way	9.41	1,579.97	100%
Production Bonus	4.52	1,584.49	100%
Other income	1.27	1,585.76	100%
Land Fee	0.97	1,586.73	100%
TPC Annual Right of way	0.56	1,587.29	100%
Total	1,587.29		

As shown in the above table, some payments amounting MMK 1.27bn were declared under the description 'Other income'. As a result, we were not able to identify the nature of these payments.

For some other payments (Shwe Project, Shareholder Loan, Andaman Interest) the description of the nature of payment was not clear. Therefore, we were not able to identify the related flow of payment. These payments represent 6% of total payments reported by MOGE for the fiscal year 2014-2015.

FY 2015-2016

The MOGE 2015-2016 income report shows 14 types of payments received from the oil and gas sector. We note that the three operators in the Yadana, Yetagun and Shwe fields made total payments of MMK 1,175.56bn which account for 91.4% of the total non-tax revenues.

The table below shows a summary of the non-tax revenues collected by MOGE during the fiscal year 2015-2016:

Non-tax payment	Amount	Cumulative	In billion kyats
			%
State participation - Gas Sales	748.01	748.01	58%
Shwe Project	173.31	921.31	72%
Transportation Fees	134.42	1,055.73	82%
Royalty	77.26	1,132.99	88%
Shareholder Loan	74.67	1,207.65	94%
State participation - Condensate Sales	38.75	1,246.40	97%
Right of way	10.45	1,256.86	98%
Data Fee	10.44	1,267.30	99%
Zaw Tika	7.17	1,274.47	99%
OA surplus return to SEE C&F	4.36	1,278.82	99%
Other Income	2.96	1,281.78	100%
Bonus	2.57	1,284.35	100%
Land Fee	1.25	1,285.60	100%
MD salary	0.12	1,285.72	100%
Total	1,285.72		

As shown in the above table, some payments amounting MMK 2.96bn were declared under the description 'Other income'. Therefore, we were not able to identify the nature of these payments.

For some other payments (Shwe Project, Shareholder Loan, Zaw Tika, OA surplus return to SEE C&F, MD salary) the description of the nature of payment was not clear. Therefore, we were not able to identify the related flow of payment. These payments 20% of the total payments reported by MOGE for the fiscal year 2015-2016.

According to the data submitted by MOGE, Signature Bonuses amounting USD 23.5 million were paid in FY 2015-2016 in addition to the payments in the table above. The breakdown by company and by block is as follows:

		In million USD
Company	Blocks	Amount
PTTEP SA	MOGE-3	6.00
Petronas	IOR-5	5.00
Petroleum Brunei	EP-1	3.00
Central Asia Oil and Gas (CAOG)	MOGE-4	2.00
Daewoo (Ext: Bonus)	AD-7	2.00
ONGC Videsh Ltd	B-2	2.00
ENI	PSC-K	2.00
ONGC Videsh Ltd	EP-3	1.50
Total		23.50

According to MOGE, there were no Signature bonus payments in the FY 2014-2015.

Moreover, based on interviews held with MoEE officials and oil and gas companies during the field work and the review of the Oil and gas regulations, we identified the following additional non-tax payments:

N°	Payment flows (in cash)	Amount reported in the 2013-2014 MEITI report (for reference purpose)
1	Dividend	-
2	Production Split	1,349.3 Kyats billion
3	Training Fund	0.23 Kyats billion
4	Research and Development Fund	-
5	Baseline payment (IPR/PCC)	610,602 barrels 608,006 Mscf
N°	Payment flows (in kind)	Amount reported in the 2013-2014 MEITI report (for reference purpose)
6	Risk compensation (IPR/PCC)	405,483 barrels 150,517 Mscf
7	Payment out of production (-)	
8	Domestic Market Obligation (DMO)	4.92 Kyats billion

Allocations to the Training and Research Development funds are not transferred to MOGE. These allocations are held by oil and gas companies and managed by a monitoring committee of which MOGE is a member.

Proposed scope

We recommend to include all the non-tax revenue streams in the scope of the 2014-2015 and 2015-2016 EITI reports without applying a materiality threshold. We also recommend including allocations to the Training and Research Development funds in the reconciliation scope.

According to the above, the oil and gas payment flows that we propose to be included in the 2014-2015 and 2015-2016 reconciliation scopes may be summarised as follows:

N°	Payment flows
1	Signature Bonus
2	Royalties
3	Production Split
4	Production Bonus
5	State Participation
6	Baseline payment (IPR/PCC)
7	Risk compensation (IPR/PCC)
8	Payment out of production (-)
9	Dividend
10	Training Fund
11	Research and Development Fund
12	Domestic Market Obligation (DMO)
13	Data fee
14	Land fees/Dead rent fee

4.2.3. Oil and gas transportation payments analysis (non-taxes revenues streams)

Payment flows

According to MoEE, there are three categories of taxes and fees payable by oil and gas transportation companies. These taxes and fees are:

- Profit Sharing Oil and Gas transportation;
- Transit fees Oil and Gas transportation; and
- Road right fee Oil and Gas transportation.

Proposed scope

We recommend to include all oil and gas transportation payments in the scope without applying a materiality threshold.

Following Requirement 4.4 of the EITI standard, tariff rates and volume of the transported commodities should be reported in the EITI Report

4.2.4. Gems and Jade sector payments analysis (non-tax revenues streams)

Payments flows

FY 2014-2015

According to the data provided by MONREC there are seven categories of fees and charges payable by mining companies to ministry. These fees and charges are set out in the table below:

Payment	Amount	Cumulative	In billion kyats
			%
Sale Split	124.38	124.38	46.96%
Royalty on Sale - 10%	72.35	196.73	74.27%
Service Fees (*)	31.01	227.73	85.98%
Emporium Fees	14.73	242.46	91.54%
Permit Fee (*)	12.11	254.57	96.11%
Royalty on Production - 20%	7.34	261.91	98.88%
Incentive - 1%, 2% (*)	2.97	264.87	100.00%
Total	264.87		

(*) New payment flow, not included in the reconciliation scope of 2013-2014 MEITI report

FY 2015-2016

According to the data provided by MONREC there are nine categories of fees and charges payable by mining companies to ministry. These fees and charges are set out in the table below:

In billion kyats

Payment	Amount	Cumulative	%
Commercial Tax - 15%	110.58	110.58	41.37%
Sale Split	78.76	189.34	70.84%
Royalty on Sale - 7%	23.62	212.96	79.68%
Royalty on Production - 20%	17.37	230.33	86.17%
Permit Fee	16.76	247.08	92.44%
Service Fees - 3%	10.12	257.20	96.23%
Emporium Fees - 1%	6.99	264.20	98.85%
Incentive - 1%, 2%	3.05	267.24	99.99%
Commercial Tax (Value-added) - 5%	0.04	267.28	100.00%
Total	267.28		

Proposed scope

We recommend to include all non-tax revenue streams in the scope of both EITI reports. According to the above, the gems and jade payment flows that we propose to be included in the 2014-2015 and 2015-2016 reconciliation scopes may be summarised as follows:

N°	Payment flows
1	Commercial Tax (*)
2	Sale Split
3	Royalty on Sale - 7%/10%
4	Royalty on Production - 20%
5	Permit Fee (*)
6	Service Fees - 3%
7	Emporium Fees - 1%
8	Incentive - 1%, 2% (*)

(*) New payment flow, not included in the reconciliation scope of 2013-2014 MEITI report

4.2.5. Mining sector payments analysis (non-tax revenues streams)

Payments flows

FY 2014-2015

According to the data provided by MONREC there are five categories of fees and charges payable by mining companies to ministry. These fees and charges are set out in the table below:

In billion kyats

Payment	Amount	Cumulative	%
Royalty	24.66	24.66	71.43%
Production Split (Mineral Tax)	6.17	30.83	89.30%
Dead Rent Fee	3.67	34.49	99.92%
Application Fee	0.03	34.52	99.99%
License Fee	0.002	34.52	100.00%
Total	34.52		

FY 2015-2016

According to the data provided by MONREC there are four categories of fees and charges payable by mining companies to ministry. These fees and charges are set out in the table below:

Payment	Amount	Cumulative	In billion kyats
			%
Production Split (Mineral Tax)	35.16	35.16	71.43%
Royalty	10.54	45.70	92.83%
Dead Rent Fee	3.53	49.23	100.00%
License Fee	0.001	49.23	100.00%
Total	49.23		

Moreover, according to interviews held during the field work with MONREC and the Myanmar Federation of Mining Association, we identified the following additional non-tax payments:

N°	Payment flows
1	Signature Bonus (Application Fees) (paid at the conclusion of contracts)
2	Land fees (Paid to the Forest Department)

Proposed scope

On the basis of the information supplied by MONREC, we recommend to include all non-tax revenue streams in the scope of the 2014-2015 and 2015-2016 reports without applying the materiality threshold. Accordingly, the gems and jade payment flows that we propose to be included in the 2014-2015 and 2015-2016 reconciliation scopes may be summarised as follows:

N°	Payment flows
1	Royalties
2	Signature Bonus / Application Fees (*)
3	Production Split
4	Dead Rent Fees
5	Land fees Environmental Conservation Fees to Forest Department (5%)
6	Licence Fees

(*) New payment flow, not included in the reconciliation scope of 2013-2014 MEITI report

4.2.6. Flows scope

Based on the selection criteria for flows presented in the previous paragraph, the following payment flows were selected in the scope.

a. Common taxation

N°	Payment flows	Definition
Payments to IRD and Custom Department		
1	Income Tax (IT)	An enterprise registered under the Myanmar Companies Act, an entity registered under the Myanmar Foreign Investment Law (MFIL) and a registered Myanmar branch of a foreign entity which enjoys incentives under MFIL are subject to income tax at 25%. A registered Myanmar branch of a foreign entity does not enjoy incentives under MFIL, and other non-resident entities, are subject to income tax at the higher rate of 35%.
2	Commercial Tax	Commercial tax is levied on the sales of goods and services and applies to certain transactions as defined in the Commercial Tax Law. Commercial tax is applied to the gross sales of goods and services. For imported goods, commercial tax is calculated on the "cost, insurance and freight" (CIF) value of goods. Commercial tax is levied at 5% on goods other than exempted goods.

		Commercial tax is not applicable on exports, except in the case of natural gas, crude oil, jade, gemstones and timber.
3	Stamp Duties	Stamp duty applies to a number of transactions. The Myanmar Stamp Act defines the rules to implement Stamp Duties for various types of instruments payable in Kyats and in other currencies.
4	Capital Gains Tax	The sale or transfer of capital assets are levied for income tax purposes on gains calculated based on the difference between gross sales and the purchase cost of assets plus any additions less depreciation. Capital assets for income tax purposes are defined as lands, buildings, vehicles, or any other asset owned by an entity including shares, bonds and intangibles
5	Withholding tax	Withholding tax is a tax where any person or company making certain payments is required to deduct from such payments and remit to Government Agencies. The payments that attract WHT include management and consultant fees, commissions, rent dividends and payments to non-resident contractors.
6	Other significant payments (> 50,000 USD)	To avoid material omissions, a line entitled "Other significant payments flows" has been included in the reporting template for extractive companies to report any significant payments including any payment flows which sre not expected in the reporting template and which are above USD 50,000.
Payments to Custom Department		
1	Commercial Tax	A commercial tax is levied on the sales of goods and services and applies to certain transactions as defined in the Commercial Tax Law. Commercial tax is applied to the gross sales of goods and services. For imported goods, commercial tax is calculated via the "cost, insurance and freight" (CIF) value of goods.
2	Customs Duties	Goods imported in Myanmar are subject to Customs Duties and are required to be declared to the Myanmar Customs Department accordingly. Currently, the Customs Duties levied on the import of machinery, spare parts, and inputs generally range from 0% to 40% of the value of the goods. For exports of goods, export duty is levied on certain commodities.

b. Oil and Gas payments

▪ Payment flows in kind

N°	Payment flows	Definition
Payments to MOGE		
1	State production entitlement	It is the State's entitlement to the Profit Oil/Gas of the Oil and Gas produced.
2	MOGE production entitlement	It is 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/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).
3	Royalties	Royalties are charged 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.
4	Baseline payment	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)..
5	Risk compensation	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).
6	Payment out of production (-)	The 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.

▪ Payment flows in cash

N°	Payment flows	Definition
Payments to Ministry of Energy/MOGE		
7	Signature Bonus	Bonus paid upon conclusion of a (Production Sharing Contract (PSC). The amount of the Signature Bonus is specified in the PSC.
8	Royalties	Royalties are charged at 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.
9	Production Split (State share)	It is the State's entitlement on the Profit Oil/Gas of the Oil and Gas produced. Production of petroleum net of cost is shared between PSC parties, based on a progressive sliding scale linked to average daily production levels from the production area. The rates are distinct for oil and for natural gases.
10	Production Bonus	Bonus paid to MOGE in proportion to the quantities of hydrocarbons produced. The amount of the Production Bonus is specified in the PSC.
11	MOGE share (Profit and Cost)	It is 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/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 its 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 commercial discovery (increasing to 25% if the reserves are greater than 5 TCF).
12	Dividend	This is the distribution of profits in proportion to the number of shares held directly in the Extractive Company.
13	Training Fund	A training contribution is payable annually by concession holders. 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 and managed by a monitoring committee of which MOGE is a member.
14	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.
15	Domestic Market Obligation (DMO)	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.
16	Data fee	Data fee is levied only on offshore blocks. It is payable within 30 days after the signature of the PSC.
17	Land fees/Dead rent fee	Land fees is payable to the Ministry of Environmental Conservation and Forestry. The amount of the land rent is specified in the PSC
18	Other significant payments (> 50,000 USD)	To avoid material omissions, a line entitled "Other significant payments flows" has been included in the reporting template for extractive companies to report any significant payments including any payment flows which are not expected in the reporting template and which are above USD 50,000.

N°	Payment flows	Definition
19	Contribution to the State/region social development fund	It is the annual contribution made by Oil and Gas companies to the State/region social development fund.

c. Oil and Gas transportation payments

N°	Payment flows	Definition
Payments to MOGE		
1	Profit Sharing Oil and Gas transportation	It is MOGE's share of the Oil and Gas transported via the pipeline.
2	Transit fees Oil and Gas transportation	Transit fees are paid by extractives companies to MOGE for the use of the pipelines.
3	Road right fee Oil and Gas transportation	Road right fees are paid to MOGE by the companies which operate the pipelines.

d. Mining sector payments

▪ Payment flows in kind

N°	Payment flows	Definition
Payments to MONREC		
1	Production Split	Production is shared between the parties. The percentage of the SOE and the percentage of each partner are mentioned in the PSC. The Ministry of Mines share can be increased if production increases.
2	Royalties	Royalties are paid by a mining licence 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%; and Gold, silver, platinum from 4% to 5%.

▪ Cash payment

N°	Payment flows	Definition
Payments to Ministry of Mines Department of Mines		
N°1 Mining Enterprise (ME1)		
N°2 Mining Enterprise (ME2)		
N°3 Mining Enterprise (ME3)		
1	Royalties	Royalties are paid by a mining licence 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%; and -Gold, silver, platinum from 4% to 5%.
2	Signature Bonus	Bonus paid within 30 days after conclusion of mining agreement. The amount of the Signature Bonus is specified in the agreement.
3	Production Split	Production is shared between the parties. The percentages payable to the SOE and to each partner are mentioned in the PSC. The Ministry of Mines' share can be increased if production increases.
4	Dead Rent Fees	Land rent also called "dead rent" is payable during mineral prospecting and exploration stages. The amount of the land rent is specified by the mining agreement.
5	Licence Fees	Fees payable by an applicant of mining rights to be granted a mining license or permit.
6	Application Fees	Fees payable by an applicant for a mining right
7	Dividend	This is the distribution of profits in proportion to the number of shares held directly in the Extractive Company.
8	Other significant payments (> 50,000 USD)	To avoid material omissions, a line entitled "Other significant payments flows" has been included in the reporting template for extractive companies to report any significant payments including any payment flows which are not expected in the reporting templates and which are above USD 50,000.
Payments to MGE		
9	Royalties (20%)	Royalties is levied on the Gems and Jade sales production at the rate of 20% These royalties are paid to MGE.

N°	Payment flows	Definition
10	Royalties (10%)	Royalties is levied on the Gems and Jade sales in the annual emporium at the rate of 10%. Royalties is split between IRD (7%) and MGE (3%).
11	Sale Split	It is the share of the State on the revenues of Gems & Jade sales made in the annual emporium.
12	Emporium Fees / Sale Fees	These fees are payable by the participants at the Gems and Jade Emporium.
13	Commercial Tax	A commercial tax is levied on the sales of goods and services and applies to certain transactions as defined in the Commercial Tax Law. The commercial tax arising from the sales of Gems and Jade was collected by MGE in FY 2015-2016.
14	Permit Fee	Permit fees are payable by the holders of Gems and Jade rights
15	Service Fees	Service fees are payable by the participants to the Emporium at the rate of 3% for the raw materials and 1% for the values added products
16	Incentives	These fees are payable at the rate of 1% or 2% only by Joint Venture partners.
N°	Payment flows	Definition
Payments to Forest Department -Ministry of Environmental Conservation and Forestry		
13	Land rental fees	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.
14	Environmental / Plantation fees	Environmental / Plantation fees is payable by mining companies when they obtain their mining licenses.
Payments General Administration Department-Ministry of Home Affairs		
15	Mineral taxes	This includes 'fees from licenses for the extraction of minerals such as stone, laterite, limestone, marble, gypsum, clay, or other minerals which are not under the special mining rule.' In some cases, there is a fee per mill or rent per acre; in other cases, as with marble, GAD receives a certain number of kyat per 100 cubic feet extracted.
Payments to States/Regions		
16	Contribution to the State/region social development fund	It is the annual contribution made by companies to the State/region social development fund.

e. Social payments

The private sector's contribution to good governance in the extractive industries sector typically comes through either individual projects (which can be classed, in EITI terms, as "social payments"), as Corporate Social Responsibility (CSR) programmes, or in a more structured form as Community Development Agreements which are incorporated into legal contracts between the operator and the government.

Under the EITI 2016 Standard, all forms of social payments must be recorded in the annual EITI reports, whether these social payments are either mandated by law or included within the contract.

We understand that in Myanmar there are no social payments mandated by law. Social expenditure are made voluntarily through CSR programmes which are implemented in accordance with the company policy. We refer to two major CSR programmes, for the Yadana (Socio-Economic Programme (SEP)) and Shwe Gas pipelines. We also understand that some companies could be contractually obligated to contribute to the local CSR spending.

We understand that CSR has been established at the level of MOGE. 2% of the Net Profit of MOGE will be allocated to this fund.

MEITI may wish to play a role in ensuring greater transparency and accountability in these programmes by requiring detailed reporting on social expenditure for all companies that will be selected in the scope. The selected companies will be required to provide details of the projects and the beneficiaries of such expenditure.

N°	Flux	Definition
1	Mandatory social payments	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.

2	Voluntary social expenditures 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.
---	--

f. Bartering arrangements

According to Requirement 4.3.d of EITI (2016), payments in kind or barter identified during the period covered by this study should be included in the EITI report.

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 2014-2015 and 2015-2016.

g. Other material payments flows

To avoid material omissions, a line entitled "Other significant payments flows" has been included in the reporting template for extractive companies to report any significant payments USD 50,000 including any payment flow which is not shown in the reporting templates.

h. Quasi fiscal expenditures

We recommend that the Government bodies and SOEs selected in the scope to disclose any quasi fiscal expenditures. These payments will be declared by Government bodies and SOEs and will not be included in the flows to be reconciled.

i. Loans /Loan guarantee granted to Entities operating in extractive sector

EITI requirement 3.6 (c) states where the government and SOE (s) have provided loans or loan guarantees to mining, Oil & Gas companies operating within the country, details on these transactions should be disclosed in the EITI Report. Accordingly, we recommend to disclose loans /Loan guarantee granted by SOE's to entities operating in the extractive sector.

j. Production and export

Based on the provisions of Requirement 3 of the EITI standard (2016), we propose to include the flows and volumes of production and exports in the 2014-2015 and 2015-2016 EITI reports as follows:

- Production volumes and values: following several work sessions held with the government, it is difficult to reconcile the production data, given the lack of corroboration of data between administrations and the lack of a credible source of information. We therefore recommend a unilateral declaration of production data by extractive companies. Production values will be reported on the basis of the average selling price multiplied by the production of the period.
- Exports volumes and values: the volumes and values of exports will be subject to reporting by extractive companies and by the Ministry of Mines and Hydrocarbons General Secretariat for Mining and Oil Sectors respectively. The data collected will be reconciled. The export values will report on the basis of their FOB prices.

k. Employment in the extractive sector

Based on the provisions of Requirement 6 of the EITI standard, we recommend that the staff employed by extractive companies is disclosed, broken down between local employees and expatriates.

4.3. Recommended list of reporting entities

4.3.1. Approach for the selection of reporting entities for inclusion in the 2014-2015 and 2015-2016 reconciliation scopes

We understand that extractive revenues are collected by MONREC and MoEE for the specific payments (including all proportional levies to the production) and MoPF for common taxation. We also understand that tax revenues received by MoPF from the mining sector may relate to activities other than mining operations as mining companies are allowed to operate in several sectors according to Myanmar regulations.

The Customs Department within MoPF is responsible for the collection of Customs Duties and Commercial Tax on imports.

Therefore, the materiality analysis was based on the statements of revenues provided by MOGE, MONREC, IRD and the Customs Department for the fiscal years 2014-2015 and 2015-2016.

Oil and Gas sector

Given the limited number of companies in Oil & Gas sector, we recommend to include all the operators in producing fields and exploration companies that have made payments to MOGE and IRD without applying a materiality threshold.

Furthermore, as the Myanmar law stipulates that each partner or participant in a hydrocarbon project is responsible for paying their own taxes, we recommend including all the partners in the producing fields in the reconciliation scope.

The statements of revenues received from MOGE showed that no signature bonuses were received from the Oil and Gas companies in 2014-2015 while 8 companies paid signature bonuses in 2015-2016.

Given the fact that 11 bidders were awarded 16 onshore blocks in October 2013 and 13 bidders were awarded 10 shallow water blocks and 10 deep water blocks in March 2014 and that the signature bonus should be paid no later than 30 days after the signature of the PSC, we emphasize that the statement of revenues reported by MOGE does not include all the signature bonuses related to the awarded blocks. As a prudent measure, we recommend to include the companies that have been awarded Oil and Gas permits following the bid rounds of 2013 and 2014.

Oil and Gas transportation sector

Given the limited number of companies in Oil & Gas transportation sector, we recommend to include all the operators without applying a materiality threshold.

Gems & Jade and other minerals sector

The statements of revenues obtained from MONREC, IRD and Customs Department do not include the registration number of the companies. The names of some companies have been spelt differently from one government agency to another. These differences may be also due to the translation of these statements from Myanmar to English. Therefore, it would be very sensitive to compile these data using company names as minor errors in these names may affect the accuracy of the materiality analysis.

Due to these constraints, the analysis of the materiality threshold has been done separately for each Government Agency without compiling all the data.

We recommend to include the companies which the total payments cover at least 80% of the total payments to MONREC, IRD and the customs department in 2014-2015 and 2015-2016.

Given the limited number of companies which made Gold in-kind payments to ME2, we recommend to include all these companies to the reconciliation scope 2014-2015 and 2015-2016.

4.3.2. Recommended Reporting Entities for 2014-2015 and 2015-2016 EITI Reports

a. Oil and Gas sector

FY 2014-2015

According to the data provided by MOGE, payments made by the Oil and Gas companies for the FY 2014-2015 is set out in the table below:

														In billion kyats		
Company	State participati on - Gas Sales	Royalty	Transportati on Fees	State participati on - Condensa te Sales	Shwe Proje ct	Sharehold er Loan	Andam an Interest	Right of way	Producti on Bonus	Other incom e	Land Fee	TPC Annu al Right of	Total	Cumulati ve	%	
PCML	462.62	193.42	102.28	140.97	-	-	-	-	-	-	-	-	899.29	899.29	56.66%	
TOTAL E&P Myanmar	445.48	-	78.95	-	-	-	-	-	-	-	0.97	-	525.39	1,424.68	89.76%	
Daewoo	53.03	-	-	-	69.48	-	-	-	3.50	-	-	-	126.01	1,550.69	97.69%	
Not mentioned	-	-	-	-	-	14.66	-	-	-	1.17	-	0.56	16.39	1,567.08	98.73%	
PTTEP	-	-	-	-	-	-	9.68	-	1.02	-	-	-	10.70	1,577.78	99.40%	
SEAGP	-	-	-	-	-	-	-	9.41	-	-	-	-	9.41	1,587.18	99.99%	
SEAOP	-	-	-	-	-	-	0.10	-	-	-	-	-	0.10	1,587.29	100.00%	
Total	961.12	193.42	181.22	140.97	69.48	14.66	9.79	9.41	4.52	1.17	0.97	0.56	1,587.29			

As shown in the above table, an amount of MMK 16.39bn was declared by MOGE without providing the disgregation by company. Therefore, we were not able to identify the companies which made these payments to MOGE.

We understand that IRD was not able to provide the payments received from the Oil and Gas companies in FY 2014-2015.

The data provided by MoGE shows that only 6 companies made payments to MOGE in 2014-2015. Given the limited numbers of companies with payments to MOGE, we recommend to include all the operators listed above in the reconciliation scope of the 2014-2015 EITI report. SEAGP and SEAOP are companies operating in the transportation of Oil and Gas which will be treated in the Section b.

Given that the Oil and Gas contracts include a tax holiday for the common taxes (Income Tax, Commercial Tax, etc), the payments during the first years could be limited to bonuses and the State's participation. We understand that the State's participation can be paid through compensation with the payment "out of production". Therefore, we recommend to include all operating companies in the production phase.

FY 2015-2016

According to the data provided by MOGE, payments made by the Oil and Gas companies for the FY 2015-2016 is set out in the table below:

In billion kyats

Company	State participati on - Gas Sales	Shwe Project	Transportati on Fees	Royalt y	Sharehold er Loan	State participati on - Condensate Sales	Righ t of way	Data Fee	Za w Tik a	OA surplus return to SEE C&F	Other Incom e	Bonu s	Lan d Fee	MD salar y	Total	Cumulati ve	%
TOTAL E&P Myanmar	449.9	-	61.5	-	-	-	-	-	-	-	-	-	1.2	-	512.6	512.6	40%
PCML	298.1	-	73.0	77.3	-	38.7	-	-	-	-	-	-	-	-	487.1	999.7	78%
Daewoo	-	173.3	-	-	-	-	-	-	-	-	-	2.6	-	-	175.9	1,175.6	91%
Not mentioned	-	-	-	-	74.7	-	2.1	10.4	7.2	4.4	3.0	-	-	0.1	101.8	1,277.3	99%
SEAGP	-	-	-	-	-	-	8.4	-	-	-	-	-	-	-	8.4	1,285.7	100%
Oil India	-	-	-	-	-	-	-	0.0	-	-	-	-	-	-	0.03	1,285.7	100%
Total	748.0	173.3	134.4	77.3	74.7	38.7	10.5	10.4	7.2	4.4	3.0	2.6	1.2	0.1	1,285.7		

As shown in the table above, an amount of MMK 101.8bn was declared by MOGE without providing the disgregation by company. Therefore, we were not able to identify the companies which made these payments to MOGE.

Moreover, according to the data submitted by MOGE, Signature Bonuses amounting USD 23.5 million were paid in FY 2015-2016 in addition to the payments in the table above. The breakdown by company and by block is as follows:

		In million USD
Company	Blocks	Amount
PTTEP SA	MOGE-3	6.00
Petronas	IOR-5	5.00
Petroleum Brunei	EP-1	3.00
Central Asia Oil and Gas (CAOG)	MOGE-4	2.00
Daewoo (Ext: Bonus)	AD-7	2.00
ONGC Videsh Ltd	B-2	2.00
ENI	PSC-K	2.00
ONGC Videsh Ltd	EP-3	1.50
Total		23.50

According to the data provided by IRD, the following payments were made by the oil and gas companies during the FY 2015-2016:

			In billion kyats
Company	Income Tax	Commercial Tax	Total
1. Unocal Myanmar Offshore Co.,Ltd	17.55	-	17.55
2. Schlumberger Logelco Inc	4.04	10.96	15.01
3. PTTEP International Limited	14.24	-	14.24
4. Nippon Oil Explortion(Myanmar)Ltd	5.75	-	5.75
5. Daewoo Corporation(Myanmar E&P Office)	2.91	-	2.91
Total	44.50	10.96	55.46

We note that Schlumberger Logelco Inc is not listed in the licenses register provided by MOGE. We understand that it is an oilfield services company and therefore should not be considered the EITI report scope. The revenues collected from this company have therefore been excluded for the materiality analysis.

Given the limited number of companies with payments to MOGE and IRD, we recommend to include all the operators listed above in the reconciliation scope of the 2015-2016 EITI report. SEAGP is a company operating in the transportation of Oil and Gas which will be treated in Section b.

Proposed scope

Given the limited number of companies in the Oil and Gas sector, we recommend to include all the operators in producing fields and exploration companies that have made payments without applying a materiality threshold.

Furthermore, as Myanmar law stipulates that each partner or participant in a hydrocarbon project is responsible for paying its own taxes, we recommend including all the partners in the producing fields in the reconciliation scope. The table below sets out the shareholdings of the seven producing fields:

Field	Shareholdings	
	Company	%
Yetagun	Petronas Carigali Myanmar Inc (Operator)	40.9%
	PTT Exploration & Production	19.3%
	MOGE	20.5%
	Nippon Oil	19.3%
Yadana	TOTAL (Operator)	31.2%
	UNOCAL	28.3%
	PTT Exploration & Production	25.5%
	MOGE	15.0%

Field	Shareholdings	
	Company	%
Shwe	Daewoo International Corporation (Operator)	51.0%
	MOGE	15.0%
	ONGC Videsh Ltd	17.0%
	Gail JJ India Ltd	8.5%
	Korea Gas Corporation	8.5%
Zawtika	PTT Exploration & Production (Operator)	80.0%
	MOGE	20.0%
Chauk Oil Field	Goldpetrol Co Ltd (Operator)	45.0%
	MOGE	55.0%
YNG Oil Field	Goldpetrol Co Ltd (Operator)	45.0%
	MOGE	55.0%
Mann Oil Field	MPRL E&P Pte Ltd (Operator)	35.0%
	MOGE	65.0%

Source: Ministry of Electricity and Energy

The statements of revenues received from MOGE showed that no signature bonuses were received from the Oil and Gas companies in 2014-2015 while 8 companies paid signature bonuses in 2015-2016.

Given the fact that 11 bidders were awarded 16 onshore blocks in October 2013 and 13 bidders were awarded 10 shallow water blocks and 10 deep water blocks in March 2014 and that the signature bonus should be paid no later than 30 days after the signature of the PSC, we emphasize the risk that the statement of revenues reported by MOGE does not include all the signature bonuses related to the awarded blocks. As a prudent measure, we recommend to include the companies that have been awarded Oil and Gas permits following the bid rounds of 2013 and 2014.

On this basis, 37 oil and gas companies will be included in the reconciliation scope and will form part of the reconciliation exercise for the EITI Reports 2014-2015 and 2015-2016. These companies are presented as follows:

		Company	FY 2014-2015	FY 2015-2016
SOE	1	MOGE (*)	✓	✓
	2	Petronas Carigali Hong Kong Ltd (PCML) (*)	✓	✓
Operators in producing fields	3	TOTAL (*)	✓	✓
	4	Daewoo International Corporation (*)	✓	✓
	5	PTT Exploration & Production (*)	✓	✓
	6	Goldpetrol Co Ltd (*)	✓	✓
	7	MPRL E&P Pte Ltd (*)	✓	✓
Partners in the producing fields	8	Nippon Oil (*)	✓	✓
	9	PTTEP International Ltd.	✓	✓
	10	ONGC Videsh Ltd (*)	✓	✓
	11	Gail JJ India Ltd (*)	✓	✓
	12	Korea Gas Corporation (*)	✓	✓
	13	Unocal Myanmar Offshore Co., Ltd (*)	✓	✓
Operators in exploration phase	14	Petronas Carigali Myanmar Inc (PCMI) (*)	✓	✓
	15	Geopetrol International Holding Inc	✓	✓
	16	Jubilant Oil & Gas Pte.Ltd	✓	✓
	17	PTTEP South Asia Ltd	✓	✓
	18	IsTech Energy EP5 Pte	✓	✓

	Company	FY 2014-2015	FY 2015-2016	
19	Asia Orient International Ltd	✓	✓	
20	CNPC International Ltd	✓	✓	
21	SNOG Pte Ltd (*)	✓	✓	
22	Eni Myanmar BV	✓	✓	
23	Central Asia Oil and Gas (CAOG) Pte. Ltd	✓	✓	
24	Pacific Hunt Energy Corporation	✓	✓	
25	Bashneft International B.V	✓	✓	
26	Brunei National Petroleum Co	✓	✓	
27	Petrovietnam Exploration Production Corporation	✓	✓	
28	Oil India Ltd	✓	✓	
29	Ophir Myanmar Ltd	✓	✓	
30	Barlanga Myanmar Pte. Ltd.	✓	✓	
Operators awarded O&G Blocks in 2014 and 2015 (in Study phase)	31	Shell Myanmar Energy Pte.Ltd	✓	✓
	32	BG Exploration & Production Myanmar Pte. Ltd.	✓	✓
	33	Woodside Energy (Myanmar) Pte. Ltd.	✓	✓
	34	CFG Energy Pte.Ltd.	✓	✓
	35	Reliance Industries Ltd	✓	✓
	36	Statoil Myanmar Pte. Ltd.	✓	✓
	37	Tap Energy Pte. Ltd.	✓	✓

(*) Included in the MEITI reconciliation scope 2013-2014

b. Transportation of Oil & Gas

According to the data provided by MOGE, two Oil and Gas transportation companies made payments during the fiscal year 2014-2015 and only one transportation company made payments during the fiscal year 2015-2016 as follows:

Company	In billion kyats	
	FY 2014-2015	FY 2015-2016
SEAGP	9.41	8.39
SEAOP	0.10	-
Total	9.51	8.39

According to the data provided by IRD, the following payments were made by Oil and Gas companies:

Company	In billion kyats	
	FY 2014-2015	FY 2015-2016
Moattama Gas Transportation Co.,Ltd	-	145.01
Taninthayi Pipeline Company LLC(Myanmar Branch)	-	77.40
Total	-	222.41

Given the limited number of operators, we recommend to include all the entities without applying a materiality threshold as follows: Andaman Transportation Limited (ATL), Moattama Gas Transportation Company (MGTC), Taninthayi Pipeline Company (TPC), South-East Asia Gas Pipeline Co (SEACOP) and the South East Asia Crude Oil Pipeline Co, Ltd (SEACOP) in the reconciliation scopes of 2014-2015 and 2015-2016.

On this basis, five oil and gas transportation companies will be included in the reconciliation scope and will form part of the reconciliation exercises for the EITI Reports 2014-2015 and 2015-2016. These companies are presented as follows:

N°	Company	FY 2014-2015	FY 2015-2016
1	Andaman Transportation Limited (ATL)	✓	✓
2	Moattama Gas Transportation Company (MGTC)	✓	✓
3	Taninthayi Pipeline Company (TPC)	✓	✓
4	South-East Asia Gas Pipeline Co (SEAGP)	✓	✓
5	South East Asia Crude Oil Pipeline Co, Ltd (SEACOP)	✓	✓

c. Gems and Jade sector

FY 2014-2015

The payments made by Gems and Jade companies were collected from MONREC, IRD and the Customs Department. Details of these payments by Government Agency is as follows:

Government agency	In billion kyats	
	Amount	%
MONREC	264.87	72%
IRD	65.07	18%
Customs	38.29	10%
Total	368.23	

Materiality analysis of the MONREC data

Based on the data provided by **MONREC**, the payments for Gems and Jade sector in FY 2014-2015 are set out in the following table:

Payment threshold	Mining Companies/Taxpayers				
	Number of companies	Cumulative number of companies	Revenue collected by MONREC (billion Kyats)	Weight / total collected revenue	Cumulative weight
Amount > Kyats 20 billion	1	1	29.86	11%	11%
Kyats 10 billion <Amount <Kyats 20 billion	2	3	28.03	11%	22%

Mining Companies/Taxpayers						
Payment threshold	Number of companies	Cumulative number of companies	Revenue collected by MONREC (billion Kyats)	Weight / total collected revenue	Cumulative weight	
Kyats 5 billion <Amount <Kyats 10 billion	7	10	51.63	19%	41%	
Kyats 3 billion <Amount <Kyats 5 billion	5	15	19.84	7%	49%	
Kyats 2 billion <Amount <Kyats 3 billion	10	25	25.98	10%	59%	
Kyats 1.5 billion <Amount <Kyats 2 billion	6	31	10.02	4%	62%	
Kyats 1 billion <Amount <Kyats 1.5 billion	12	43	14.73	6%	68%	
Kyats 0.75 billion <Amount <Kyats 1 billion	12	55	10.70	4%	72%	
Kyats 0.5 billion <Amount <Kyats 0.75 billion	17	72	10.70	4%	76%	
Kyats 0.4 billion <Amount <Kyats 0.5 billion	14	86	6.21	2%	78%	
Kyats 0.3 billion <Amount <Kyats 0.4 billion	19	105	6.69	3%	81%	
Kyats 0.25 billion <Amount <Kyats 0.3 billion	29	134	7.87	3%	84%	
Kyats 99 million <Amount <Kyats 0.25 billion	129	263	18.19	7%	91%	
Amount <Kyats 99 million	1397	1660	24.41	9%	100%	
Total	1660		264.87	100%		

Materiality analysis of IRD data

Based on the data provided by IRD, the payments for Gems and Jade sector in FY 2014-2015 are set out in the following table:

Mining Companies/Taxpayers						
Payment threshold	Number of companies/taxpayers	Cumulative number of companies/taxpayers	Revenue collected by IRD (billion Kyats)	Weight / total collected revenue	Cumulative weight	
Amount > Kyats 3 billion	1	1	3.02	5%	5%	
Kyats 2 billion <Amount <Kyats 3 billion	5	6	12.30	19%	24%	
Kyats 1.5 billion <Amount <Kyats 2 billion	4	10	6.93	11%	34%	
Kyats 1 billion <Amount <Kyats 1.5 billion	4	14	5.27	8%	42%	
Kyats 0.75 billion <Amount <Kyats 1 billion	7	21	6.01	9%	52%	
Kyats 0.5 billion <Amount <Kyats 0.75 billion	11	32	6.59	10%	62%	

Mining Companies/Taxpayers						
Payment threshold	Number of companies/taxpayers	Cumulative number of companies/taxpayers	Revenue collected by IRD (billion Kyats)	Weight / total collected revenue	Cumulative weight	
Kyats 0,25 billion <Amount <Kyats 0,5 billion	32		53	12.07	19%	80%
Kyats 0,2 billion <Amount <Kyats 0,25 billion	15		68	3.31	5%	85%
Kyats 99 million <Amount <Kyats 0,2 billion	46		114	5.90	9%	94%
Amount <Kyats 99 million	351		465	3.68	6%	100%
Total	476			65.07	100%	

Materiality analysis of Customs data

Based on the data provided by Customs, the payments for Gems and Jade sector in FY 2014-2015 are set out in the following table:

Mining Companies/Taxpayers						
Payment threshold	Number of companies	Cumulative number of companies	Revenue collected by CD (billion Kyats)	Weight / total collected revenue	Cumulative weight	
Amount > Kyats 20 billion	1	1	28.05	73%	73%	
Kyats 1.5 billion <Amount <Kyats 20 billion	1	2	3.74	10%	83%	
Kyats 0.75 billion <Amount <Kyats 1.5 billion	1	3	0.79	2%	85%	
Kyats 0.5 billion <Amount <Kyats 0.75 billion	4	7	2.24	6%	91%	
Kyats 0,25 million <Amount <Kyats 0,5 billion	2	9	0.87	2%	93%	
Kyats 99 million <Amount <Kyats 0,25 billion	11	20	1.86	5%	98%	
Amount <Kyats 99 million	33	53	0.73	2%	100%	
Total	53		38.29	100%		

Three options were proposed to the MSG for the determination of the scope of Gems and Jade companies.

- **Option 1 (Recommended Option)** - Percentage of coverage **80%**
- **Option 2** - Percentage of coverage **60%**
- **Option 3** - Percentage of coverage **70%**

Option 1 (Recommended Option):

The above tables show that the companies paying taxes of more than Kyats **0.3 bn** represent **81%** of the total revenue collected by the **MONREC** from companies operating in the Gems & Jade sector.

The materiality threshold recommended above means that mining companies making 81% of reported payments to MONREC will be included in the reconciliation i.e. all companies making payments to MONREC in excess of Kyats 0.3 bn.

According, **105** companies will be selected for the reconciliation exercise on the basis of the data obtained from **MONREC**.

According to the above tables, companies paying taxes of more than **Kyats 0.25 bn** represent **80%** of total revenues collected by **IRD** from companies operating in the Gems and Jade sector

The materiality threshold recommended above means that mining companies making 80% of reported payments to IRD will be included in the reconciliation i.e. all companies making payments to IRD in excess of Kyats 0.25 bn.

According, **53** companies will be selected for the reconciliation exercise on the basis of the data obtained from **IRD**

According to the above table, companies paying taxes of more than **Kyats 1.5 bn** represent **83%** of the total revenue collected by the **Customs Department** from companies operating in the Gems & Jade sector.

The materiality threshold recommended above means that mining companies making 83% of reported payments to the Customs Department will be included in the reconciliation i.e. all companies making payments to the customs department in excess of Kyats 1.5 bn.

Accordingly, **2** companies will be selected for the reconciliation exercise on the basis of the data obtained from the **Customs Department**.

Therefore, we recommend to include the companies which the total payments cover at least **80%** of the total payments to MONREC, IRD and the customs department in 2014-2015:

2014/15	Threshold (in bn Ks)	Cov by Gov Ag	Overall Cov	Nbr entities
MONREC	0.3	81%		
IRD	0.25	80%	81%	144
CD	1.5	83%		

Option 2:

The above tables show that the companies paying taxes of more than Kyats **1.5 bn** represent **62%** of the total revenue collected by the **MONREC** from companies operating in the Gems & Jade sector.

The materiality threshold above means that mining companies making 62% of reported payments to MONREC will be included in the reconciliation i.e. all companies making payments to MONREC in excess of Kyats 1.5 bn.

According, **31** companies will be selected for the reconciliation exercise on the basis of the data obtained from **MONREC**.

Companies which made payments to IRD and CD above the materiality threshold of **Kyats 1.5 bn** will be added to the scope of reconciliation

According, **10** companies will be selected for the reconciliation exercise on the basis of the data obtained from **IRD** and **2** companies will be selected for the reconciliation exercise on the basis of the data obtained from **Customs Department**.

Therefore, Option 2 recommend to include the companies which the total payments cover at least **60%** of the total payments to MONREC in 2014-2015. Companies which made payments to IRD and CD above the materiality threshold of **Kyats 1.5 bn** will be added to the scope of reconciliation:

2014/15	Threshold (in bn Ks)	Cov by Gov Ag	Overall Cov	Nbr entities
MONREC	1.5	62%		
IRD	1.5	34%	59%	41
CD	1.5	83%		

Option 3:

The above tables show that the companies paying taxes of more than Kyats **0.75 bn** represent **72%** of the total revenue collected by the **MONREC** from companies operating in the Gems & Jade sector.

The materiality threshold above means that mining companies making 72% of reported payments to MONREC will be included in the reconciliation i.e. all companies making payments to MONREC in excess of Kyats 0.75 bn.

According, **55** companies will be selected for the reconciliation exercise on the basis of the data obtained from **MONREC**.

Companies which made payments to IRD and CD above the materiality threshold of **Kyats 0.75 bn** will be added to the scope of reconciliation

According, **21** companies will be selected for the reconciliation exercise on the basis of the data obtained from **IRD** and **3** companies will be selected for the reconciliation exercise on the basis of the data obtained from **Customs Department**.

Therefore, Option 3 recommend to include the companies which the total payments cover at least **70%** of the total payments to MONREC in 2014-2015. Companies which made payments to IRD and CD above the materiality threshold of **Kyats 0.75 bn** will be added to the scope of reconciliation:

2014/15	Threshold (in bn Ks)	Cov by Gov Ag	Overall Cov	Nbr entities
MONREC	0.75	72%		
IRD	0.75	52%	70%	72
CD	0.75	85%		

Proposed scope

Option 1 (Recommended Option):

On the basis of the data obtained from MONREC, IRD and the Customs Department, 144 companies will be selected for the reconciliation exercise:

Gems and Jade companies proposed for the reconciliation scope 2014-2015	
Myanmar Win Gate Gems & Jewellery Mining	Kyay Lin
Sein Lom Taung Tan Gems Ltd. (*)	Kyaw Thet Aung
Yar Za Htar Ne Gems Co;Ltd. (*)	Two Horse Gems Co;Ltd.
Myanmar Imperial Jade(Gems & Jewellery) (*)	Kyi Lá Sein
Wai Aung Gabar Gems Co; Ltd. (*)	Pyi Yadana Gems Ltd.
Ayar Jade Co; Ltd.	Lucky King Jade Co;Ltd.
Myat Yamon Gems Co;Ltd. (*)	Thiha & Three Brothers Gems & Jewellery
Kyauk Seinn Nagar (Gems) (*)	Shwe Myint Myat Kyaw Gems
Myanmar Sithu Jewellery (*)	National Prosperity Gems
Linn Lett Win Yadanar Gems (*)	Myanmar Mighty Star Gems

Gems and Jade companies proposed for the reconciliation scope 2014-2015	
Yadanar Taung Tann Gems (*)	Khaing Lon Gems Co;Ltd.
Khin Zaw Aung & Brothers Gems & Jewellery (*)	SEIN THURA SAN GEMS COMPANY
Shwe Gaung Gaung Gems	Kyauk Gyi Gone Gems
Xie Family (*)	Wai Family Gems Co;Ltd. (*)
Great Genesis Gems Co; Ltd. (*)	Sein Oo Yadanar Gems
Richest Gems Co;Ltd. (*)	Lucky Star Jade Group
Kyaing International Gems (*)	Theint Win Htet Gems
Phyo Thiha Kyaw Gems	Shwe Pyi Tha Gems Trading & Faceting
Myanma Gon Yi Gems & Jewellery	Law Lu Gems & Jade Excavation &
Kyaw Naing & Brothers	Nay La Pwint Gems Co; Ltd. (*)
Kyay Sin Phyu	Shwe Khit Nay Pyi Taw Gems &
Khun Pa-Oh Gems & Jewellery	Tun Tauk Sa Gems
Kachin National Development	Zwe Htet Lwin Gems &
Silver Elephant Gems	Hole In One Gems Co;Ltd.
Myo Nwe Gems & Jewellery	Myanmar Imperial Jade + Chievers+Saung Tar Yar Kyei
Shining Star Light Gems & Jewellery (*)	Kyaw Zaw Lin Yadanar
Myanma Seinn Lei Aung Gems	Yadanar Lin San
Myanmar Naing Group	Daw Htay Htay(Share)
Pho Thar Htoo Gems Co; Ltd.	Jade Power Co;Ltd.
RUBY DRAGON JADE & GEMS Co.,Ltd	San Taw Win Gems & Jewellery
Thi Raw Mani Gems & Jewellery (*)	Khaun Pooe
Jade Mountain Gems Co;Ltd. (*)	Moon Light Gems
HTOO JEWELLERY CO.,LTD.	Linn Htet Aung Gems
Ngwe Hein Htet Gems & Jewellery	Green Friend Gems &
Lyan Shan Jewellery Co; Ltd.	Green Soda Gems Co; Ltd.
Yadanar Pyi Phyo Aung Gems And Jewellery Co; Ltd.	Shwe Byain Phyu Gems Co., Ltd.
PAING PHYO THIIHA GEMS	Archer Gems & Jewellery Co;Ltd.
EIGHTY THOUSAND GEMS & JEWELLERY Co;Ltd	Myanma Gon Yi + Kyauk Sein Win
Tun Naing Aung Gems	Yadanar Moe Myay Gems Co.,Ltd.
U Kyaw Min Naing(private)	Yadanar Yaung Chi (*)
Chaow Brothers Gemstone	YADANAR SHWE YI WIN GEMS Co;Ltd.
Mann Ayer Family Co.,Ltd.	Myanmar Imperial Jade + Xie Family
(1.1.1) Gems & Jewellery (*)	Aung Hein Min Gems Co; Ltd. (*)
Oo Ya Gems & Jewellery Co;Ltd.	Myanmar ruby interprise
Yaza Htarne	Kyi Wai Yan
Myanmar Economics Corporation	Tha Lun Kyaw Gems & Jewellery
Pang Huke Duwa Co; Ltd.	Unity Gems Co;Ltd.
Ever Winner Gems (*)	Kan Tha Oo Gems & Jewellery
Than Lwin Aye Yar Gems Co., Ltd.	Yadanar Aung Chan Gems & Jewellery Co; Ltd.
Jade Padathar Gems + Shwe Gaung Gaung Gems	Kan Thar Yar
Khine Myanmar Gems Co;Ltd.	Golden Grate Wall Gems
Kan Pwint Oo	New Jade International
KHA YANN MYAY GEMS	Phyo Pyae Som Gem Co.,Ltd
Kan Par Ni Gems & Jewellery Co.,Ltd.	Yun Shwe Yee Gems Co., Ltd

Gems and Jade companies proposed for the reconciliation scope 2014-2015	
Phar Kant Yar Zar Gems & Jewellery Co.,Ltd	Game GemstoneCo;Ltd
Lin Yaung Phyar Gems Co.,Ltd	Chang Long Gems Co.,Ltd
Kaung Wai Yan Gems Co.,Ltd	Shwe Kyauk Seinn Yadanar Co.,Ltd
Yadanar San Shwin Gems Co., Ltd	Su Latt Mon Co.,Ltd
Thirawmani Gems & Jewellery Co.,Ltd	Top Flight Co.,Ltd
Yadanar Kaung Kin Gems & JewelleryCo;Ltd	Aung Aung Naing Naing Co.,Ltd
Big Jade Gems Co.,Ltd.	Wint Phoo Gems Co.,Ltd
Golden Wallet Jewellery Co.,Ltd	Saint San Gems & Jade Co;Ltd
Mingalar Royal Jadeite & Art Co.,Ltd	Gold Jade Gems Co.,Ltd
Treasure White Lotous Gems.,Co,Ltd	Myanmar Thura Gems Co.,Ltd
Shwe Wah Myay (MDY) Gems& Jewellery Co.,Ltd.	Myit Sone Ayar Gems Co.,Ltd
Ye Lwin Oo Gems Co.,Ltd	Nan Oo Yadanar Gems Co;Ltd
Wealthy Nation Jade Group Co.,Ltd	Asia Capital Management Group Co.,Ltd
Myanmar Ta Kaung Gems Co.,Ltd	Mega Star Jewel Co;Ltd
Golden Light Gems Co.,Ltd.	Myanmar Sport Light Gems Co.,Ltd
Star 67 Jade &Gems Co;Ltd	Lonh Hai Production & Trading of Gemstone Co.,Ltd
Green Light Treasure Co.,Ltd	Phyo Winner Jade Co.,Ltd
Will Power Jade Co.,Ltd	NILAR YOMA TRADING

(*) Included in the MEITI reconciliation scope 2013-2014

Option 2:

On the basis of the data obtained from MONREC, IRD and the Customs Department, 41 companies will be selected for the reconciliation exercise:

Gems and Jade companies proposed for the reconciliation scope 2014-2015	
Myanmar Win Gate Gems & Jewellery Mining	Khun Pa-Oh Gems & Jewellery
Sein Lom Taung Tan Gems Ltd. (*)	Kachin National Development
Yar Za Htar Ne Gems Co;Ltd. (*)	Silver Elephant Gems
Myanmar Imperial Jade(Gems & Jewellery) (*)	Myo Nwe Gems & Jewellery
Wai Aung Gabar Gems Co; Ltd. (*)	Shining Star Light Gems & Jewellery (*)
Ayar Jade Co; Ltd.	Myanma Seinn Lei Aung Gems
Myat Yamon Gems Co;Ltd. (*)	Myanmar Naing Group
Kyauk Seinn Nagar (Gems) (*)	Pho Thar Htoo Gems Co; Ltd.
Myanmar Sithu Jewellery (*)	RUBY DRAGON JADE & GEMS Co.,Ltd
Linn Lett Win Yadanar Gems (*)	Thi Raw Mani Gems & Jewellery (*)
Yadanar Taung Tann Gems (*)	Kan Par Ni Gems & Jewellery Co.,Ltd.
Khin Zaw Aung & Brothers Gems & Jewellery (*)	Golden Grate Wall Gems Co., Ltd
Shwe Gaung Gaung Gems	Kyauk Gyi Gone Gems & Jewellery Co., Ltd
Xie Family (*)	Phar Kant Yar Zar Gems & Jewellery Co.,Ltd
Great Genesis Gems Co; Ltd. (*)	Zwe Htet Lwin Gems & Jewellery Co.,Ltd
Richest Gems Co;Ltd. (*)	Lin Yaung Phyar Gems Co.,Ltd
Kyaing International Gems (*)	Kaung Wai Yan Gems Co,Ltd
Phyo Thiha Kyaw Gems	Yadanar San Shwin Gems Co., Ltd
Myanma Gon Yi Gems & Jewellery	SHWE BYAIN PHYU CO
Kyaw Naing & Brothers	NILAR YOMA TRADING

Kyay Sin Phyu

Option 3:

On the basis of the data obtained from MONREC, IRD and the Customs Department, 72 companies will be selected for the reconciliation exercise:

Gems and Jade companies proposed for the reconciliation scope 2014-2015

Myanmar Win Gate Gems & Jewellery Mining	Khun Pa-Oh Gems & Jewellery
Sein Lom Taung Tan Gems Ltd. (*)	Kachin National Development
Yar Za Htar Ne Gems Co;Ltd. (*)	Silver Elephant Gems
Myanmar Imperial Jade(Gems & Jewellery) (*)	Myo Nwe Gems & Jewellery
Wai Aung Gabar Gems Co; Ltd. (*)	Shining Star Light Gems & Jewellery (*)
Ayar Jade Co; Ltd.	Myanma Seinn Lei Aung Gems
Myat Yamon Gems Co;Ltd. (*)	Myanmar Naing Group
Kyauk Seinn Nagar (Gems) (*)	Pho Thar Htoo Gems Co; Ltd.
Myanmar Sithu Jewellery (*)	RUBY DRAGON JADE & GEMS Co.,Ltd
Linn Lett Win Yadanar Gems (*)	Thi Raw Mani Gems & Jewellery (*)
Yadanar Taung Tann Gems (*)	Kan Par Ni Gems & Jewellery Co.,Ltd.
Khin Zaw Aung & Brothers Gems & Jewellery (*)	Golden Grate Wall Gems Co., Ltd
Shwe Gaung Gaung Gems	Kyauk Gyi Gone Gems & Jewellery Co., Ltd
Xie Family (*)	Phar Kant Yar Zar Gems & Jewellery Co.,Ltd
Great Genesis Gems Co; Ltd. (*)	Zwe Htet Lwin Gems & Jewellery Co.,Ltd
Richest Gems Co;Ltd. (*)	Lin Yaung Phyar Gems Co.,Ltd
Kyaing International Gems (*)	Kaung Wai Yan Gems Co.,Ltd
Phyo Thiha Kyaw Gems	Yadanar San Shwin Gems Co., Ltd
Myanma Gon Yi Gems & Jewellery	SHWE BYAIN PHYU CO
Kyaw Naing & Brothers	NILAR YOMA TRADING
Kyay Sin Phyu	Jade Mountain Gems Co;Ltd. (*)
HTOO JEWELLERY CO.,LTD.	Ever Winner Gems (*)
Ngwe Hein Htet Gems & Jewellery	Than Lwin Aye Yar Gems Co., Ltd.
Lyan Shan Jewellery Co; Ltd.	Jade Padathar Gems + Shwe Gaung Gaung Gems
Yadanar Pyi Phyo Aung Gems And Jewellery Co; Ltd.	Khine Myanmar Gems Co;Ltd.
PAING PHYO THIIHA GEMS	Kan Pwint Oo
EIGHTY THOUSAND GEMS & JEWELLERY Co;Ltd	KHA YANN MYAY GEMS
Tun Naing Aung Gems	Kyay Lin
U Kyaw Min Naing(private)	Kyaw Thet Aung
Chaow Brothers Gemstone	Thirawmani Gems & Jewellery Co.,Ltd
Mann Ayer Family Co.,Ltd.	Aung Hein Min Gems Co.,Ltd
(1.1.1) Gems & Jewellery (*)	YadanarYaungChi Gems Co.,Ltd
Oo Ya Gems & Jewellery Co;Ltd.	Yadanar Kaung Kin Gems & JewelleryCo;Ltd
Yaza Htarne	Big Jade Gems Co.,Ltd.
Myanmar Economics Corporation	Golden Wallet Jewellery Co.,Ltd
Pang Huke Duwa Co; Ltd.	Tun Tauk Sa Gems Co.,Ltd.

For the other companies which made payments below the thresholds presented above, we recommend disclosure by Government Agencies of the combined benefit streams from the companies in accordance with EITI Requirement 3.

FY 2015-2016

The payments made by Gems and Jade companies were collected from MONREC, IRD and the Customs Department. Details of these payments by Government Agency are as follows:

Government agency	In billion kyats	
	Amount	%
MONREC	267.28	77%
IRD	48.14	14%
Customs	31.26	9%
Total	346.67	

Due to same constraints mentioned for the 2014-2015 data, the materiality has been analysed for each Government Agency separately without compiling all the data.

Materiality analysis of the MONREC data

Based on the data provided by MONREC, the profile of payments for Gems and Jade sector in FY 2015-2016 is set out in the following table:

Payment threshold	Mining Companies/Taxpayers				
	Number of companies	Cumulative number of companies	Revenue collected by MONREC (billion Kyats)	Weight / total collected revenue	Cumulative weight
Amount > Kyats 10 billion	4	4	49.79	19%	19%
Kyats 5 billion <Amount <Kyats 10 billion	10	14	75.53	28%	47%
Kyats 3 billion <Amount <Kyats 5 billion	7	21	30.16	11%	58%
Kyats 2 billion <Amount <Kyats 3 billion	6	27	15.34	6%	64%
Kyats 1.5 billion <Amount <Kyats 2 billion	5	32	8.47	3%	67%
Kyats 1 billion <Amount <Kyats 1.5 billion	11	43	13.81	5%	72%
Kyats 0.75 billion <Amount <Kyats 1 billion	15	58	13.17	5%	77%
Kyats 0.5 billion <Amount <Kyats 0.75 billion	21	79	12.71	5%	82%
Kyats 0.4 Billion <Amount <Kyats 0.5 billion	15	94	6.58	2%	84%
Kyats 0.3 Billion <Amount <Kyats 0.4 billion	19	113	6.54	2%	87%
Kyats 0.25 Billion <Amount <Kyats 0.3 billion	11	124	2.87	1%	88%
Kyats 99 million <Amount <Kyats 0,25 billion	92	216	13.98	5%	93%
Amount <Kyats 99 million	1195	1411	18.32	7%	100%
Total	1411		267.28	100%	

Materiality analysis of IRD data

Based on the data provided by IRD, payments for Gems and Jade sector in the FY 2015-2016 are set out in the following table:

Payment threshold	Mining Companies/Taxpayers				
	Number of companies/taxpayers	Cumulative number of companies/taxpayers	Revenue collected by IRD (billion Kyats)	Weight / total collected revenue	Cumulative weight
Amount > Kyats 3 billion	1	1	4.96	10%	10%
Kyats 2 billion <Amount <Kyats 3 billion	3	4	7.67	16%	26%
Kyats 1.5 billion <Amount <Kyats 2 billion	3	7	5.23	11%	37%
Kyats 1 billion <Amount <Kyats 1.5 billion	1	8	1.19	2%	40%
Kyats 0.5 billion <Amount <Kyats 1 billion	10	18	7.59	16%	55%
Kyats 0,25 billion <Amount <Kyats 0,5 billion	21	39	7.61	16%	71%
Kyats 0,15 billion <Amount <Kyats 0,25 billion	28	67	5.31	11%	82%
Kyats 99 million <Amount <Kyats 0,15 billion	26	93	3.07	6%	89%
Amount <Kyats 99 million	385	478	5.51	11%	100%
Total	478		48.14	100%	

Materiality analysis of Customs data

Based on the data provided by the Customs Department, payments for Gems and Jade sector in the FY 2015-2016 are set out in the following table:

Payment threshold	Mining Companies/Taxpayers				
	Number of companies/taxpayers	Cumulative number of companies/	Revenue collected by CD (billion Kyats)	Weight / total collected revenue	Cumulative weight
Amount > Kyats 10 billion	1	1	14.05	45%	45%
Kyats 2 billion <Amount <Kyats 20 billion	2	3	9.13	29%	74%
Kyats 1 billion <Amount <Kyats 2 billion	0	3	0	0%	74%
Kyats 0.5 billion <Amount <Kyats 1 billion	8	11	5.31	17%	91%
Kyats 0,25 million <Amount <Kyats 0,5 billion	4	15	1.54	5%	96%
Kyats 99 million <Amount <Kyats 0,25 billion	3	18	0.36	1%	97%

Payment threshold	Mining Companies/Taxpayers					
	Number of companies/taxpayers	Cumulative number of companies/	Revenue collected by CD (billion Kyats)	Weight / total collected revenue	Cumulative weight	
Amount <Kyats 99 million	33	51	0.86	3%	100%	
Total	51		31.26	100%		

Three options were proposed to the MSG for the determination of the scope of Gems and Jade companies.

- **Option 1 (Recommended Option)** - Percentage of coverage **80%**
- **Option 2** - Percentage of coverage **60%**
- **Option 3** - Percentage of coverage **70%**

Option 1 (Recommended Option):

According to the above tables, the companies paying taxes of more than **Kyats 0.5 bn** represent **82%** of the total revenue collected by the **MONREC** from companies operating in the Gems & Jade sector.

The materiality threshold recommended above means that mining companies making 82% of reported payments to MONREC will be included in the reconciliation i.e. all companies making payments to MONREC in excess of Kyats 0.5 bn.

According, **79** companies will be selected for the reconciliation exercise on the basis of the data obtained from **MONREC**.

According to the above table, the companies paying taxes of more than **Kyats 0.15 bn** represent **82%** of the total revenue collected by the **IRD** from companies operating in the Gems & Jade sector.

The materiality threshold recommended above means that mining companies making 82% of reported payments to IRD will be included in the reconciliation i.e. all companies making payments to IRD in excess of Kyats 0.15 bn.

According, **67** companies will be selected for the reconciliation exercise on the basis of the data obtained from **IRD**.

According to the above table, the companies paying taxes of more than **Kyats 0.5 bn** represent **91%** of the total revenue collected by the **Customs Department** from companies operating in the Gems & Jade sector.

The materiality threshold recommended above means that mining companies making 91% of reported payments to the Customs Department will be included in the reconciliation i.e. all companies making payments to the customs department in excess of Kyats 0.5 bn.

According, **11** companies will be selected for the reconciliation exercise on the basis of the data obtained from **Customs Department**.

Therefore, we recommend to include the companies which the total payments cover at least **80%** of the total payments to MONREC, IRD and the Customs Department in 2015-2016:

2015/16	Threshold (in bn Ks)	Cov by Gov Ag	Overall Cov	Nbr entities
MONREC	0.5	82%	82%	132
IRD	0.15	82%		
CD	1.5	91%		

Option 2:

The above tables show that the companies paying taxes of more than Kyats **2.0 bn** represent **64%** of the total revenue collected by the **MONREC** from companies operating in the Gems & Jade sector.

The materiality threshold above means that mining companies making 64% of reported payments to MONREC will be included in the reconciliation i.e. all companies making payments to MONREC in excess of Kyats 2.0 bn.

According, **27** companies will be selected for the reconciliation exercise on the basis of the data obtained from **MONREC**.

Companies which made payments to IRD and CD above the materiality threshold of **Kyats 2.0 bn** will be added to the scope of reconciliation

According, **4** companies will be selected for the reconciliation exercise on the basis of the data obtained from **IRD** and **3** companies will be selected for the reconciliation exercise on the basis of the data obtained from **Customs Department**.

Therefore, Option 2 recommend to include the companies which the total payments cover at least **60%** of the total payments to MONREC in 2015-2016. Companies which made payments to IRD and CD above the materiality threshold of **Kyats 2.0 bn** will be added to the scope of reconciliation:

2015/16	Threshold (in bn Ks)	Cov by Gov Ag	Overall Cov	Nbr entities
MONREC	2.0	64%		
IRD	2.0	26%	60%	33
CD	2.0	74%		

Option 3:

The above tables show that the companies paying taxes of more than Kyats **1.0 bn** represent **72%** of the total revenue collected by the **MONREC** from companies operating in the Gems & Jade sector.

The materiality threshold above means that mining companies making 72% of reported payments to MONREC will be included in the reconciliation i.e. all companies making payments to MONREC in excess of Kyats 1.0 bn.

According, **43** companies will be selected for the reconciliation exercise on the basis of the data obtained from **MONREC**.

Companies which made payments to IRD and CD above the materiality threshold of **Kyats 1.0 bn** will be added to the scope of reconciliation

According, **8** companies will be selected for the reconciliation exercise on the basis of the data obtained from **IRD** and **3** companies will be selected for the reconciliation exercise on the basis of the data obtained from **Customs Department**.

Therefore, Option 3 recommend to include the companies which the total payments cover at least **60%** of the total payments to MONREC in 2015-2016. Companies which made payments to IRD and CD above the materiality threshold of **Kyats 1.0 bn** will be added to the scope of reconciliation:

2015/16	Threshold (in bn Ks)	Cov by Gov Ag	Overall Cov	Nbr entities
MONREC	1.0	72%		
IRD	1.0	40%	68%	51
CD	1.0	74%		

Proposed scope

Option 1 (Recommended Option):

On the basis of the data obtained from MONREC, IRD and the customs department, 132 companies will be selected for the reconciliation exercise:

Gems and Jade companies proposed for the reconciliation scope 2015-2016

Great Genesis Gems Co; Ltd. (*)	Thiha & Three Brothers Gems & Jewellery
Sein Lom Taung Tan Gems Ltd. (*)	Emerald Garden
Wai Aung Gabar Gems Co; Ltd. (*)	Shwe Gaung Gaung Gems
Ayar Jade Co; Ltd.	Yadanar Sin Thiri Gems
Shwe Pyi Tha Gems Trading & Faceting	Kaung Swan Htet
Kyaing International Gems (*)	Yaza Htarne
Linn Lett Win Yadanar Gems (*)	RUBY DRAGON JADE & GEMS Co.,Ltd
Richest Gems Co;Ltd. (*)	Kan Sein Pwint
Myat Yamon Gems Co;Ltd. (*)	Lin Latt Win
Yadanar Taung Tann Gems	Kan Thar Yar
Khin Zaw Aung & Brothers Gems & Jewellery (*)	Kan Par Ni
Yar Za Htar Ne Gems Co;Ltd. (*)	Shwe Khit Nay Pyi Taw Gems &
Kachin National Development	Kyay Ta Khon Sein
Myanmar Imperial Jade(Gems & Jewellery) (*)	Lyan Shan Jewellery Co; Ltd.
Myo Nwe Gems & Jewellery	Seng Taung Gems & Jewellery
Shining Star Light Gems & Jewellery (*)	Galaxy Jade & Gems
Khun Pa-Oh Gems & Jewellery	Golden Grate Wall Gems
Jade Mountain Gems Co;Ltd. (*)	National Prosperity Gems
Phyo Thiha Kyaw Gems	Kyi Lá Sein
Silver Elephant Gems	Shwe Eain Si Gems &
Yadanar Yaung Chi Gems Co;Ltd. (*)	Will Power Jade Co;Ltd.
Myanmar Sithu Jewellery (*)	Kyaw Tet Aung
Pang Huke Duwa Co; Ltd.	Myanmar Naing Group
Kyay Sin Phyu	Myanmar Rich Land Gems
SEIN THURA SAN GEMS COMPANY	Shwe Wah Myay (Mandalay) (*)
Lucky Star	Jade Hourse
San Taw Win Gems & Jewellery	Shwe Tun Win Co; Ltd.
Myanma Gon Yi Gems & Jewellery	Wai Family Gems Co;Ltd. (*)
Kan Pwint Oo Gems & Jewellery	Win Lei Aung
Green Comet Gems	Global Sun Light Gems
Thi Raw Mani Gems & Jewellery (*)	Shwe Pyae Shan
Myanma Seinn Lei Aung Gems	Kyaw Zaw Lin Yadanar
Nay La Pwint Gems Co; Ltd. (*)	Kyi Wai Yan
Myanmar Win Gate Gems & Jewellery Mining	Aung Aung Naing Naing Gems
Khaing Lon Gems Co;Ltd.	Lei Oo
Chaow Brothers Gemstone	A one Brothers Gems & Jewellery
Kyay Lin	Chang Long Gems & Jewellery
Ayar Yadanar	Pyae Yadanarmon Gems
Kaung Myat Thukha	Kaung Su Wai Hlyan Gems
Unity Gems Co;Ltd.	Khine Myanmar Gems Co.,Ltd

Gems and Jade companies proposed for the reconciliation scope 2015-2016

Yadanar Kaung Kin Gems & Jewellery Co.; Ltd	Lin Yaung Phyar Gems Co., Ltd
Mega Stone Co.; Ltd	Hla Yadanar Shin Co., Ltd.
Yadanar San Shwin Gems Co.; Ltd	Pho Thar Htoo Gems Co., Ltd
Golden Wallet Jewellery Co., Ltd	(1.1.1) Gems & Jewellery Co., Ltd.
Green Light Treasure Co., Ltd	Mingalar Royal Jadeite & Art Co., Ltd
Xie Family Co., Ltd	Su Latt Mon Co., Ltd
Kyauk Sein Nagar (Gems) Co., Ltd	Bayani Gems Co., Ltd
Su Htu Pan Gems & Jewellery Co.; Ltd	Yadanar Aung Chan Gems & Jewellery Co., Ltd
Zebu Thiri Gems Co.; Ltd	Shwe Ywet Hlwar Gems Co., Ltd
Tun Tauk Sa Gems Co.; Ltd	Aung Hein Min Gems Co., Ltd
Thein Gabar Aung Gems Co.; Ltd	Tha Lon Kyaw Gems & Jewellery Co.; Ltd
Pyi Yadanar Gems	Oo Ya Gems & Jewellery Co., Ltd
Gold Jade Gems Co., Ltd	Myanmar Seinn Co., Ltd
Myanmar Mighty Star Gems Co., Ltd	Gandawin Gems Garden Co., Ltd
Sein Oo Yadanar Gems Co., Ltd.	Wealthy Nation Jade Group Co., Ltd
Hole In One Gems Co., Ltd	Myit Sone Ayar Gems Co., Ltd
King Gems & Jewellery Co., Ltd	Myint Sone Ayar Gems Co., Ltd
Kyauk Gyi Gone Gems & Jewellery Co., Ltd	Thet Hein Gems & Jewellery Co., Ltd
Golden Light Gems Co., Ltd.	Bright Jade Co., Ltd
Farmer Phoyarazar Gems Co., Ltd	Sein Nan Thar Gems Co., Ltd
Zwe Htet Lwin Gems & Jewellery Co., Ltd	Great Yarzar Gems & Jewellery Co., Ltd
Asia Capital Management Group Co., Ltd	Yadanar Moe Myay Gem Co., Ltd
Myanmar Ruby Enterprise Limited	Hein Aung Lin Htet Jade Co., Ltd
Aung Aung Naing Naing Gems Co., Ltd	Nay Chi Yadanar Co., Ltd
NILAR YOMA TRADING	THAN LWIN SHWE MYAY
NAY MIN KABAR GEMS&J	AUNG HEIN MIN GEMS

(* Included in the MEITI reconciliation scope 2013-2014

Option 2:

On the basis of the data obtained from MONREC, IRD and the Customs Department, 33 companies will be selected for the reconciliation exercise:

Gems and Jade companies proposed for the reconciliation scope 2015-2016

Great Genesis Gems Co; Ltd. (*)	Jade Mountain Gems Co; Ltd. (*)
Sein Lom Taung Tan Gems Ltd. (*)	Phyo Thiha Kyaw Gems
Wai Aung Gabar Gems Co; Ltd. (*)	Silver Elephant Gems
Ayar Jade Co; Ltd.	Yadanar Yaung Chi Gems Co; Ltd. (*)
Shwe Pyi Tha Gems Trading & Faceting	Myanmar Sithu Jewellery (*)
Kyaing International Gems (*)	Pang Huke Duwa Co; Ltd.
Linn Lett Win Yadanar Gems (*)	Kyay Sin Phyu
Richest Gems Co; Ltd. (*)	SEIN THURA SAN GEMS COMPANY
Myat Yamon Gems Co; Ltd. (*)	Lucky Star
Yadanar Taung Tann Gems	San Taw Win Gems & Jewellery
Khin Zaw Aung & Brothers Gems & Jewellery (*)	Yadanar Kaung Kin Gems & Jewellery Co; Ltd
Yar Za Htar Ne Gems Co; Ltd. (*)	Mega Stone Co; Ltd

Gems and Jade companies proposed for the reconciliation scope 2015-2016

Kachin National Development	Yadanar San Shwin Gems Co., Ltd
Myanmar Imperial Jade(Gems & Jewellery) (*)	Golden Wallet Jewellery Co.,Ltd
Myo Nwe Gems & Jewellery	SHWE BYAIN PHYU CO
Shining Star Light Gems & Jewellery (*)	NILAR YOMA TRADING
Khun Pa-Oh Gems & Jewellery	

Option 3:

On the basis of the data obtained from MONREC, IRD and the Customs Department, 51 companies will be selected for the reconciliation exercise:

Gems and Jade companies proposed for the reconciliation scope 2015-2016

Great Genesis Gems Co; Ltd. (*)	Jade Mountain Gems Co;Ltd. (*)
Sein Lom Taung Tan Gems Ltd. (*)	Phyo Thiha Kyaw Gems
Wai Aung Gabar Gems Co; Ltd. (*)	Silver Elephant Gems
Ayar Jade Co; Ltd.	Yadanar Yaung Chi Gems Co;Ltd. (*)
Shwe Pyi Tha Gems Trading & Faceting	Myanmar Sithu Jewellery (*)
Kyaing International Gems (*)	Pang Huke Duwa Co; Ltd.
Linn Lett Win Yadanar Gems (*)	Kyay Sin Phyu
Richest Gems Co;Ltd. (*)	SEIN THURA SAN GEMS COMPANY
Myat Yamon Gems Co;Ltd. (*)	Lucky Star
Yadanar Taung Tann Gems	San Taw Win Gems & Jewellery
Khin Zaw Aung & Brothers Gems & Jewellery (*)	Yadanar Kaung Kin Gems & JewelleryCo;Ltd
Yar Za Htar Ne Gems Co;Ltd. (*)	Mega Stone Co;Ltd
Kachin National Development	Yadanar San Shwin Gems Co., Ltd
Myanmar Imperial Jade(Gems & Jewellery) (*)	Golden Wallet Jewellery Co.,Ltd
Myo Nwe Gems & Jewellery	SHWE BYAIN PHYU CO
Shining Star Light Gems & Jewellery (*)	NILAR YOMA TRADING
Khun Pa-Oh Gems & Jewellery	Kyay Lin
Myanma Gon Yi Gems & Jewellery	Ayar Yadanar
Kan Pwint Oo Gems & Jewellery	Kaung Myat Thukha
Green Comet Gems	Unity Gems Co;Ltd.
Thi Raw Mani Gems & Jewellery (*)	Thiha & Three Brothers Gems & Jewellery
Myanma Seinn Lei Aung Gems	Emerald Garden
Nay La Pwint Gems Co; Ltd. (*)	Shwe Gaung Gaung Gems
Myanmar Win Gate Gems & Jewellery Mining	Green Light Treasure Co.,Ltd
Khaing Lon Gems Co;Ltd.	Xie Family Co.,Ltd (*)
Chaow Brothers Gemstone	

For the other companies which made payments below the thresholds presented above, we recommend the disclosure by Government Agency of the combined benefit streams, including those companies whose production are exported, in accordance with EITI Requirement 3.

d. Other minerals sector

FY 2014-2015

Payments made by the other minerals companies were collected by MONREC, IRD and the Customs Department. Details of these payments by Government Agency are as follows:

Government agency	In billion kyats	
	Amount	%
MONREC	34.52	89%
IRD	0.25	1%
Customs	4.21	11%
Total	38.97	

Materiality analysis of MONREC Data

Based on the data provided by **MONREC**, payments relating to other minerals sector in FY 2014-2015 are set out in the following table:

Payment threshold	Mining Companies/Taxpayers			
	Number of companies/taxpayers	Revenue collected by MONREC (billion Kyats)	Weight / total collected revenue	Cumulative weight
Amount > Kyats 10 billion	1	17.11	50%	50%
Kyats 5 billion <Amount <Kyats 10 billion	1	7.07	20%	70%
Kyats 0.5 billion <Amount <Kyats 5 billion	3	1.63	5%	75%
Kyats 0,25 million <Amount <Kyats 0,5 billion	8	3.00	9%	83%
Kyats 99 million <Amount <Kyats 0,25 billion	12	1.93	6%	89%
Kyats 50 million <Amount <Kyats 99 million	16	1.02	3%	92%
Amount <Kyats 50 million	928	2.75	8%	100%
Total	969	34.52	100%	

According to the above table, companies paying taxes of more than **Kyats 0.25 bn** represent **83%** of the total revenue collected by MONREC in the other minerals subsector.

The materiality threshold recommended above means that mining companies making **83%** of reported payments to MONREC will be included in the reconciliation i.e. all companies making payments to MONREC in excess of **Kyats 0.25 bn**.

According, 13 companies will be selected for the reconciliation exercise on the basis of the data obtained from MONREC as follows:

Company	Type of mineral
Myanmar CNMC Nickel Co; LTD (*)	Antimony
Myanma Economic Holding Corporation	Gypsum/Copper
Ruby Dragon Mining Co., Ltd.	Antimony
Shawe Taung Mining Co., Ltd.	Lime Stone Coal
NgweYi Palae Mining Co.,Ltd (*)	Crown Cement

Company	Type of mineral
Win Myint Mo Industries Co.,Ltd (*)	Lead /Zinc concentrate
Tha Byu Mining Co.,Ltd (*)	Antimony Ore
GPS Joint Venture Co., Ltd. (*)	Lead Concentrate
Electrum Mining Co; Ltd	Iron
Max Myanmar Industry Co.,Ltd (*)	Cement Production
Htoo International Industrial Gorup Co.,Ltd	Lime Stone / Coal
Tun Thwin Mining Co., Ltd	Coal
Shwe Moe Yan Co.,Ltd	Lead/Ore

(*) Included in the MEITI reconciliation scope 2013-2014

Moreover, the following payments in kind (Gold) were received by ME 2 from the other minerals sector in FY 2014-2015:

Name of Company	Type of Minerals	In Kind (Payment) Toz	Weight / total collected revenue	Cumulative weight
Eternal Mining Co., Ltd	Gold	4,822.56	55%	55%
National Prosperity Gold Production Group Ltd.	Gold	2,051.36	24%	79%
Geo Asia Industrial and Mining Co., Ltd.	Gold	882.90	10%	89%
Shwe Moe Yan Co., Ltd.	Gold	850.41	10%	99%
Myanmar Golden Point Family Co., Ltd.	Gold	92.50	1%	100%
Total		8,699.73	100%	

Given the limited number of the operators, we recommend to include all the entities without applying a materiality threshold.

According to the above, 5 companies will be selected for the reconciliation exercise on the basis of the data obtained from MONREC. These companies are listed below:

Name of Company	Type of Minerals
Eternal Mining Co., Ltd (*)	Gold
National Prosperity Gold Production Group Ltd.	Gold
Geo Asia Industrial and Mining Co., Ltd.	Gold
Shwe Moe Yan Co., Ltd. (**)	Gold
Myanmar Golden Point Family Co., Ltd.	Gold

(*) Included in the MEITI reconciliation scope 2013-2014
() Company already selected on the basis of payments in cash data**

Gold payments in-kind amounting 6,950.01 ToZ reported by ME2 and received from the small scale companies were not disaggregated by company. Therefore, we were not able to perform a materiality analysis on these payments.

Furthermore, the following payments in kind (Tin/ Tungsten Mixed Ore) were received by ME 2 from the other minerals sector in FY 2014-2015:

Company	Type of Minerals	In Kind (Payment) MT	Weight / total collected revenue	Cumulative weight
Delco Co.,Ltd	Tin/ Tungsten Mixed Ore	135.22	24%	24%

Company	Type of Minerals	In Kind (Payment) MT	Weight / total collected revenue	Cumulative weight
Myanmar Pongpipat Co.,L td	Tin/ Tungsten Mixed Ore	129.15	23%	47%
Kayar Mine Production Co., Ltd	Tin/ Tungsten mixed Ore	110.65	19%	66%
Ye Htut Kyaw Mining Co.,Ltd	Tin/Tungsten Sheelite/ Mixed	80.93	14%	80%
Mining World Mining Co., Ltd	Tin/Tungsten Sheelite/ Mixed	19.83	3%	84%
Eastern Mining Co., Ltd	Tin	14.60	3%	86%
Golden Sea Mining Co., Ltd	Tin/Tungsten Mixed	11.94	2%	88%
Hoopoe Mining Co.,Ltd	Tin	10.85	2%	90%
Nan Thilar Mining Co., Ltd	Tin/Tungsten Mixed	5.90	1%	91%
Silver Bright Co.,Ltd d	Tin	5.53	1%	92%
Wai International Export & Import Mining Co., Ltd	Tin/ Tungsten Mixed Ore	5.22	1%	93%
A&A, Natural Resources Development Co.,Ltd d	Tin	5.04	1%	94%
Ngwe Ka Ba Myanmar Co.,Ltd	Tin/ Tungsten Mixed Ore	4.97	1%	95%
Tin Tungstern & Natural Resources	Tin/ Tungsten Mixed Ore	4.13	1%	96%
Kayar Golden Gate Co.,Ltd	Tin	3.28	1%	96%
Kayar Htar Ni Mining Co.,Ltd	Tin/Tungsten Sheelite/ Mixed	3.28	1%	97%
Kayar Silver Star	Tin/Tungsten Mixed	3.28	1%	97%
Myanmar Tin and Tungsten Co.,Ltd	Tin/Tungsten Mixed	3.28	1%	98%
San Lin International Export Import Co.,Ltd	Tin/ Tungsten Mixed Ore	3.28	1%	99%
Phuk par(L)Co.,Ltd	Tin	2.46	0%	99%
Seinn Lei Kan Thar Agricuiture & Fish Farming Products Co.,Ltd	Tin	2.36	0%	99%
Grand Eden Mining Co., Ltd	Tin	1.80	0%	100%
Aung Hein Bo Win Co.,Ltd	Tin/Tungsten Mixed	0.91	0%	100%
Man Pyae Phyo Co., ltd	Tin/Tungsten Mixed	0.17	0%	100%
Total		568	100%	

According to the above table, the companies paying more than **80 MT** represent **80%** of the total revenue in kind collected by the ME2 from companies operating in other minerals subsector.

The materiality threshold recommended above means that mining companies making **80%** of reported payments in kind to ME2 will be included in the reconciliation i.e. all companies making payments in kind to ME2 in excess of **80 MT**.

According to the above, 4 companies will be selected for the reconciliation exercise on the basis of the data obtained from MONREC. These companies are listed below:

Company	Type of Minerals
Delco Co.,Ltd (*)	Tin/ Tungsten Mixed Ore
Myanmar Pongpipat Co.,L td (*)	Tin/ Tungsten Mixed Ore

Company	Type of Minerals
Kayar Mine Production Co., Ltd	Tin/ Tungsten mixed Ore
Ye Htut Kyaw Mining Co.,Ltd	Tin/Tungsten Sheelite/Mixed

(*) Included in the MEITI reconciliation scope 2013-2014

Materiality analysis of IRD Data

Based on the data provided by IRD, the payments for other minerals sector in the FY 2014-2015 are set out in the following table:

Payment threshold	Mining Companies/Taxpayers			
	Number of companies/tax payers	Revenue collected by IRD (billion Kyats)	Weight / total collected revenue	Cumulative weight
Amount > Kyats 99 million	1	0.14	59%	59%
Kyats 10 million <Amount <Kyats 99 million	2	0.03	12%	70%
Kyats 5 million <Amount <Kyats 10 million	4	0.03	12%	82%
Kyats 1 million <Amount <Kyats 5 million	13	0.04	17%	99%
Amount <Kyats 1 million	17	0.00	1%	100%
Total	37	0.25	100%	

According to the above table, companies paying taxes of more than **Kyats 5 million** represent **82%** of the total revenue collected by the IRD from companies operating in the other minerals sector.

The materiality threshold recommended above means that mining companies making **82%** of reported payments to IRD will be included in the reconciliation i.e. all companies making payments to IRD in excess of **Kyats 5 million**.

According, seven companies will be selected for the reconciliation exercise on the basis of the data obtained from IRD as follows:

Other minerals companies proposed for the reconciliation scope 2014-2015

Bo Nyuat Yadanar Family Gems Co;ltd (***)

Myanmar Yang Tse Copper Ltd (*)

Sea Sun Mining Production & Marketing Co.,Ltd

Eastern Mining Co.,Ltd

Swan Yadanar Htay Mining Co;Ltd

Swan Min Htet Mining Co;Ltd

Aung Brother Mining Co;Ltd

(*) Included in the MEITI reconciliation scope 2013-2014

(***) This is a Gems company wrongly reported with the other minerals companies

Materiality analysis of Customs Data

Based on the data provided by the **Customs Department**, payments for other minerals sector in FY 2014-2015 is set out in the following table:

Payment threshold	Mining Companies/Taxpayers			
	Number of companies/taxpayers	Revenue collected by CD (billion Kyats)	Weight / total collected revenue	Cumulative weight
Amount > Kyats 1 billion	1	2.01	48%	48%
Kyats 0.25 billion <Amount <Kyats 1 billion	2	1.50	36%	83%

Payment threshold	Mining Companies/Taxpayers			
	Number of companies/taxpayers	Revenue collected by CD (billion Kyats)	Weight / total collected revenue	Cumulative weight
Amount <Kyats 0.25 billion	22	0.70	17%	100%
Total	25	4.21	100%	

According to the above table, companies paying taxes of more than **Kyats 0.25 bn** represent **83%** of the total revenue collected by the Customs Department from the Gems and Jade sector.

The materiality threshold recommended above means that mining companies making **83%** of reported payments to the Customs Department will be included in the reconciliation i.e. all companies making payments to the Customs Department in excess of **Kyats 0.25 bn**.

Accordingly, three companies will be selected for the reconciliation exercise on the basis of the data obtained from the Customs Department as follows:

Other minerals companies proposed for the reconciliation scope 2014-2015

Myanma Economic Holding Corporation (**)

THAN TAW MYAT CO,LTD

BAGAN BUSINESS GROUP

(**) Company already selected on the basis of MONREC data

Propose scope

The materiality thresholds recommended above means that mining companies making **80%** of reported payments to MONREC, IRD and Customs Department will be included in the reconciliation.

Therefore, on the basis of the data obtained from MONREC, IRD and Customs Department, 29 companies will be selected for the reconciliation exercise:

N°	Company	Type of mineral
1	Myanmar CNMC Nickel Co; LTD (*)	Ferronickel
2	Myanma Economic Corporation	Copper/Gypsum
3	Ruby Dragon Mining Co., Ltd.	Gypsum
4	Shwe Taung Mining Co., Ltd.	Lime Stone Coal
5	NgweYi Palae Mining Co.,Ltd (*)	Lime Stone
6	Win Myint Mo Industries Co.,Ltd (*)	Lead /Zinc concentrate
7	Tha Byu Mining Co.,Ltd (*)	Antimony Ore
8	GPS Joint Venture Co., Ltd. (*)	Lead Concentrate
9	Electrum Mining Co; Ltd	Iron
10	Max Myanmar Industry Co;.,Ltd (*)	Lime Stone
11	Htoo International Industrial Gorup Co.,Ltd	Lime Stone / Coal
12	Tun Thwin Mining Co., Ltd	Coal
13	Shwe Moe Yan Co.,Ltd	Lead/Ore
14	Myanmar Yang Tse Copper Ltd (*)	Copper

N°	Company	Type of mineral
15	Sea Sun Star Mining Production & Marketing Co.,Ltd	Gold
16	Eastern Mining Co.,Ltd	Tin & Tungsten
17	Swan Yadanar Htay Mining Co;Ltd	Gold
18	Swan Min Htet Mining Co;Ltd	Gold
19	Aung Brother Mining Co;Ltd	Tin & Tungsten
20	Eternal Mining Co., Ltd (*)	Gold
21	National Prosperity Gold Production Group Ltd.	Gold
22	Geo Asia Industrial and Mining Co., Ltd.	Gold
23	Myanmar Golden Point Family Co., Ltd.	Gold
24	THAN TAW MYAT CO,LTD	Lime Stone
25	BAGAN BUSINESS GROUP	Antimony
26	Delco Co.,Ltd (*)	Tin/ Tungsten Mixed Ore
27	Myanmar Pongpipat Co.,L td (*)	Tin/ Tungsten Mixed Ore
28	Kayar Mine Production Co., Ltd	Tin/ Tungsten/Sheelite/Mixed
29	Ye Htut Kyaw Mining Co.,Ltd	Tin/Tungsten Sheelite/Mixed

(*) Included in the MEITI reconciliation scope 2013-2014

For the other companies which made payments below the thresholds presented above, we recommend the disclosure by Government Agency of the combined benefit streams from the companies in accordance with EITI Requirement 3.

FY 2015-2016

The payments made by the other minerals companies were collected from MONREC, IRD and the Customs Department. Details of these payments by Government Agency are as follows:

Government agency	In billion kyats	
	Amount	%
MONREC	49.23	91%
IRD	0.29	1%
Customs	4.35	8%
Total	53.87	

Materiality Analysis of MONREC data

Based on the data provided by MONREC, the profile of payments for other minerals sector in FY 2015-2016 is set out in the following table:

Payment threshold	Mining Companies/Taxpayers			
	Number of companies/taxpayers	Revenue collected by MONREC (billion Kyats)	Weight / total collected revenue	Cumulative weight
Amount > Kyats 10 billion	1	14.73	30%	30%
Kyats 5 billion <Amount <Kyats 10 billion	2	17.07	35%	65%

Mining Companies/Taxpayers					
Payment threshold	Number of companies/taxpayers	Revenue collected by MONREC (billion Kyats)	Weight / total collected revenue	Cumulative weight	
Kyats 0.5 billion <Amount <Kyats 5 billion	5	8.26	17%	81%	
Kyats 0,25 million <Amount <Kyats 0,5 billion	8	3.08	6%	88%	
Kyats 99 million <Amount <Kyats 0,25 billion	13	2.16	4%	92%	
Kyats 50 million <Amount <Kyats 99 million	25	1.72	3%	96%	
Amount <Kyats 50 million	984	2.21	4%	100%	
Total	1038	49.23	100%		

According to the above table, companies paying taxes of more than **Kyats 0.25 bn** represent **88%** of the total revenues collected by MONREC from companies operating in other minerals subsector.

The materiality threshold recommended above means that mining companies making **88%** of reported payments to MONREC will be included in the reconciliation i.e. all companies making payments to MONREC in excess of **Kyats 0.25 bn**.

According to the above, 16 companies will be selected for the reconciliation exercise. These companies are listed below:

Company	Type of mineral
San Na DiCo. Ltd.	Iron Ore
Myanmar CNMC Nickel Co; LTD (*)	Ferronickel
Ruby Dragon Mining Co., Ltd.	Antimony
Thein Than Mining Co.,Ltd.	Lead Zinc
Shwe Sapar Mining Co.,Ltd.	Antimony Mineral
Cornerstone Resources Myanmar Co.	Zinc
Myanmar Golden High Land Mining Co.,Ltd.	Lead Ore
Win Myint Mo Industries Co.,Ltd. (*)	Lead /Zinc concentrate
Ngwe Yi Pale Mining Co., Ltd (*)	Crown Cement
Shawe Taung Mining Co., Ltd.	Lime Stone / Coal
Tha Byu Mining Co.,Ltd (*)	Antimony Ore
Myanmar Golden Point Family Co.,Ltd	Gold
Myanmar Economic Corporation	Gypsum
Max Myanmar Co., Group. (*)	Cement Production
Than Taw Myat	Lime Stone
Forever Mining Co.,Ltd	Gold

(*) Included in the MEITI reconciliation scope 2013-2014

Moreover, the following payments in kind (Gold) were received by ME 2 from the other minerals sector in FY 2015-2016:

Name of Company	Type of Minerals	In Kind (Payment) Toz	Weight / total collected revenue	Cumulative weight
National Prosperity Gold Production Group Ltd.	Gold	3,030.35	37%	37%
Shwe Moe Yan Co., Ltd.	Gold	2,033.33	25%	62%

Name of Company	Type of Minerals	In Kind (Payment) Toz	Weight / total collected revenue	Cumulative weight
Eternal Mining Co., Ltd	Gold	1,704.13	21%	82%
Geo Asia Industrial and Mining Co., Ltd.	Gold	1,338.39	16%	99%
Myanmar Golden Point Family Co., Ltd.	Gold	98.72	1%	100%
Total		8,204.92	100%	

Given the limited number of the operators, we recommend to include all the entities without applying a materiality threshold.

According to the above, 5 companies will be selected for the reconciliation exercise on the basis of the data obtained from MONREC as follows:

Company	Type of Minerals
National Prosperity Gold Production Group Ltd.	Gold
Shwe Moe Yan Co., Ltd.	Gold
Eternal Mining Co., Ltd (*)	Gold
Geo Asia Industrial and Mining Co., Ltd.	Gold
Myanmar Golden Point Family Co., Ltd.	Gold

(*) Included in the MEITI reconciliation scope 2013-2014

Gold payments in-kind amounting 6,111.00 ToZ reported by ME2 and received from the small scale companies were not disaggregated by company. Therefore, we were not able to perform a materiality analysis on these payments.

Furthermore, the following payments in kind (Tin/ Tungsten Mixed Ore) were received by ME 2 from the other minerals sector in FY 2015-2016:

Company	Type of Minerals	In Kind (Payment) MT	Weight / total collected revenue	Cumulative weight
Myanmar Pongpipat Co.,L td	Tin/ Tungsten mixed Ore	114.29	30%	30%
Delco Co.,Ltd	Tin/ Tungsten Mixed Ore	104.45	27%	57%
Kayar Mine Production Co., Ltd	Tin/Tungsten Sheelite/ Mixed	48.57	13%	70%
Ye Htut Kyaw Mining Co.,Ltd	Tin/Tungsten Sheelite/ Mixed	21.95	6%	76%
A&A, Natural Resources Development Co,Lt d	Tin/ Tungsten Mixed Ore	17.90	5%	80%
Eastern Mining Co., Ltd	Tin/Tungsten Mixed	16.32	4%	85%
Golden Sea Mining Co., Ltd	Tin	8.66	2%	87%
Wai International Export & Import Mining Co., Ltd	Tin	7.93	2%	89%
Myanmar Tin and Tungsten Co.,Ltd	Tin/ Tungsten Mixed Ore	7.20	2%	91%
Ngwe Ka Ba Myanmar Co.,Ltd	Tin/ Tungsten Mixed Ore	6.12	2%	92%
Phuk par(L)Co.,Ltd	Tin	3.97	1%	93%
Seinn Lei Kan Thar Agriculture & Fish Farming Products Co.,Ltd	Tin	3.28	1%	94%
Kayar Golden Gate Co.,Ltd	Tin/Tungsten Sheelite/ Mixed	3.28	1%	95%

Company	Type of Minerals	In Kind (Payment) MT	Weight / total collected revenue	Cumulative weight
Nan Thilar Mining Co., Ltd	Tin	3.23	1%	96%
Kayar Silver Star	Tin/Tungsten Mixed	3.00	1%	97%
Lir Mu Koh	Tin/Tungsten Mixed	3.00	1%	98%
Aung Hein Bo Win Co.,Ltd	Tin/Tungsten Mixed	2.93	1%	98%
Tin Tungstern & Natural Resources	Tin	2.92	1%	99%
Paye Sone Myat Mining Co.,Ltd	Tin/Tungsten Mixed	1.20	0%	99%
Silver Bright Co,Lt d	Tin/ Tungsten Mixed Ore	0.99	0%	100%
Diamond Shark Mining Co., Ltd	Tin/ Tungsten Mixed Ore	0.67	0%	100%
Htin Kyaw Win Co.,Ltd	Tin/Tungsten Mixed	0.49	0%	100%
Man Pyae Phyo Co., ltd	Tin	0.33	0%	100%
Total		382.67	100%	

According to the above table, the companies paying more than **17 MT** represent **80%** of the total revenue in kind collected by the ME2 from companies operating in other minerals subsector.

The materiality threshold recommended above means that mining companies making **80%** of reported payments in kind to ME2 will be included in the reconciliation i.e. all companies making payments in kind to ME2 in excess of **17 MT**.

According to the above, 4 companies will be selected for the reconciliation exercise on the basis of the data obtained from MONREC as follows:

Company	Type of Minerals
Myanmar Pongpipat Co.,L td (*)	Tin/ Tungsten mixed Ore
Delco Co.,Ltd (*)	Tin/ Tungsten Mixed Ore
Kayar Mine Production Co., Ltd	Tin/Tungsten Sheelite/Mixed
Ye Htut Kyaw Mining Co.,Ltd	Tin/Tungsten Sheelite/Mixed
A&A, Natural Resources Development Co,Lt d	Tin/ Tungsten Mixed Ore

(*) Included in the MEITI reconciliation scope 2013-2014

Materiality analysis of IRD data

Based on the data provided by IRD, the payments for other minerals sector in FY 2015-2016 are set out in the following table:

Payment threshold	Mining Companies/Taxpayers			
	Number of companies/taxpayers	Revenue collected by IRD (billion Kyats)	Weight / total collected revenue	Cumulative weight
Amount > Kyats 99 million	1	0.11	39%	39%
Kyats 10 million <Amount <Kyats 99 million	5	0.14	46%	86%
Kyats 5 million <Amount <Kyats 10 million	2	0.01	4%	90%
Kyats 1 million <Amount <Kyats 5 million	13	0.03	10%	100%
Amount <Kyats 1 million	16	0.00	0%	100%
Total	37	0.29	100%	

According to the above table, companies paying taxes of more than **Kyats 10 million** represent **86%** of the total revenue collected by the IRD from companies operating in the other minerals sector.

The materiality threshold recommended above means that mining companies making **86%** of reported payments to IRD will be included in the reconciliation i.e. all companies making payments to IRD in excess of **Kyats 10 million**.

According to the above, 6 companies will be selected for the reconciliation exercise on the basis of the data obtained from IRD as follows:

Other minerals companies proposed for the reconciliation scope 2015-2015

Cornerstone Resources (Myanmar), Ltd (**)

Myanmar Yang Tse Copper Ltd (*)

Swan Min Htet Mining Co;Ltd

Bo Nyuat Yadanar Family Gems Co;Ltd (***)

Sea Sun Mining Production & Marketing Co.,Ltd

Eastern Mining Co.,Ltd

(*) Included in the MEITI reconciliation scope 2013-2014

(**) Company already selected on the basis of MONREC data

(***) This is a Gems company wrongly reported with the other minerals companies

Materiality analysis of Customs data

Based on the data provided by the Customs Department, payments for other minerals sector in the FY 2015-2016 is set out in the following table:

Payment threshold	Mining Companies/Taxpayers			
	Number of companies/taxpayers	Revenue collected by CD (billion Kyats)	Weight / total collected revenue	Cumulative weight
Amount > Kyats 1 billion	1	2.88	66%	66%
Kyats 0.25 billion <Amount <Kyats 1 billion	1	0.69	16%	82%
Amount <Kyats 0.25 billion	25	0.78	18%	100%
Total	27	4.35	100%	

According to the above table, companies paying taxes of more than **Kyats 0.25 bn** represent **82%** of the total revenue collected by the Customs department from companies operating in the other minerals sector.

The materiality threshold recommended above means that mining companies making **82%** of reported payments to the customs department will be included in the reconciliation i.e. all companies making payments to the customs department in excess of **Kyats 0.25 bn**.

According to the above, 2 companies will be selected for the reconciliation exercise on the basis of the data obtained from the Customs Department as follows:

Gems and Jade companies proposed for the reconciliation scope 2014-2015

Myanma Economic Holding Corporation (**)

THAN TAW MYAT CO,LTD

(**) Company already selected on the basis of MONREC data

Proposed scope

The materiality thresholds recommended above means that mining companies making **80%** of reported payments to MONREC, IRD and customs will be included in the reconciliation.

Therefore, on the basis of the data obtained from MONREC, IRD and the Customs department, 28 companies will be selected for the reconciliation exercise:

N°	Company	Type of mineral
1	San Na DiCo. Ltd.	Iron Ore
2	Myanmar CNMC Nickel Co; LTD (*)	Ferronickel
3	Ruby Dragon Mining Co., Ltd.	Antimony
4	Thein Than Mining Co.,Ltd.	Lead Zinc
5	Shwe Sapar Mining Co.,Ltd.	Antimony Mineral
6	Cornerstone Resources Myanmar Co.	Zinc
7	Myanmar Golden High Land Mining Co.,Ltd.	Lead Ore
8	Win Myint Mo Industries Co.,Ltd. (*)	Lead /Zinc concentrate
9	Ngwe Yi Pale Mining Co., Ltd (*)	Lime Stone
10	Shwe Taung Mining Co., Ltd.	Lime Stone / Coal
11	Tha Byu Mining Co.,Ltd (*)	Antimony Ore
12	Myanmar Golden Point Family Co.,Ltd	Gold
13	Myanmar Economic Corporation	Gypsum
14	Max Myanmar Co., Group. (*)	Lime Stone
15	Than Taw Myat	Lime Stone
16	Myanmar Yang Tse Copper Ltd (*)	Copper
17	Swan Min Htet Mining Co;Ltd	Gold
18	Sea Sun Mining Production & Marketing Co.,Ltd	Gold
19	Eastern Mining Co.,Ltd	Tin & Tungsten
20	National Prosperity Gold Production Group Ltd.	Gold
21	Shwe Moe YanCo., Ltd.	Gold
22	Eternal Mining Co., Ltd (*)	Gold
23	Geo Asia Industrial and Mining Co., Ltd.	Gold
24	Myanmar Pongpipat Co.,L td (*)	Tin/ Tungsten mixed Ore
25	Delco Co.,Ltd (*)	Tin/ Tungsten Mixed Ore
26	Kayar Mine Production Co., Ltd	Tin/Tungsten Sheelite/ Mixed
27	Ye Htut Kyaw Mining Co.,Ltd	Tin/Tungsten Sheelite/ Mixed

N°	Company	Type of mineral
28	A&A, Natural Resources Development Co,Lt d (*) Included in the MEITI reconciliation scope 2013-2014	Tin/ Tungsten Mixed Ore

For the other companies which have made payments below the thresholds presented above, we recommend the disclosure by Government Agencies of the combined benefit stream from the companies in accordance with EITI Requirement 3.

e. Pearl sector

According to the decision of the MSG, the revenues from the Pearl sector will be unilaterally disclosed by the MONREC, IRD and customs.

f. Transfers made by MGE to the MoPF

We also recommend to include all payments and transfers made by SOEs to the MoPF regardless whether they are recorded in the budget accounts or in off-budget accounts.

4.4. Selection of Government Agencies

Based on the scoping study of extractive companies and payments flows selected for 2014-15 and 2015-16 EITI Report, 8 Government Agencies and 6 SOEs will be required to report the revenues collected from extractive sector as follows:

Government Entities
Ministry of Electricity and Energy (MoEE)
1. OGPD (formely EPD)
Ministry of Natural Resources and Environmental Cosnervation (MONREC)
2. DOM
3. DGSE
4. Forest Department
Ministry of Planning and Finance (MoPF)
5. IRD
6. Customs Department
7. Budget Department
8. Treasury Department
SOEs
1. Myanmar Oil and Gas Enterprise (MOGE)
2. N°1 Mining Enterprise (ME1)
3. N°2 Mining Enterprise (ME2)
4. N°3 Mining Enterprise (ME3)
5. Myanmar Gems Enterprise (MGE)
6. Myanmar Pearl Enterprise (MPE)
Central Committee

4.5. Fiscal year

The periods covered by the second and third EITI Reports for Myanmar are the fiscal years 2014-2015 and 2015-2016.

Therefore, payment flows and contributions made between 1 April 2014 and 31 March 2015 and 1 April 2015 and 31 March 2016 must be reported by companies and Government Agencies in the 2014-2015 and 2015-2016 EITI Repository.

The dates to be considered are those mentioned on the flag receipts or the dates of the cheques / bank transfers.

4.4 Reliability and certification of data to be reported

In order to comply with Requirement No 5 of the EITI Standard (2016) which seeks to guarantee the credibility of the data submitted by reporting entities, we propose the following approach in the context of the preparation of the 2014-2015 and 2015-2016. Myanmar EITI reports:

For extractive companies

The Reporting Templates submitted by extractive companies selected in the reconciliation scope should be:

- signed by a person authorised to represent the extractive company;
- accompanied by detailed receipts of the payments reported;
- accompanied by the audited financial statements of the extractive company for the fiscal years 2014-2015 and 2015-2016; and
- certified by an external auditor that the data reported are consistent with the entity's accounts and that no evidence has been brought to the auditors' attention which is likely to affect the reliability or completeness of reported payments by the company.

For Government Agencies

The Reporting Templates submitted by Government Entities included in the reconciliation scope must be:

- signed by a person authorised to represent the Government Agency;
- accompanied by detailed receipts of the payments reported; and
- certified by the Auditor General.

4.6. Level of disaggregation

We recommend that the Reporting Templates and the data are submitted:

- by extractive company;
- by Government Agency; or SOE for each company/taxpayer selected in the reconciliation scope; and
- by tax and by type of payment flows as detailed in the Reporting Template.

For each payment flow reported, companies/taxpayers and Government Agencies must produce details by receipt / payment, by date and by beneficiary.

The companies will also be requested to provide:

- information on their beneficial ownership; and
- the audited financial statements for 2014-2015 and 2015-2016.

All data and the level of detail that would be required as part of the reconciliation period are presented in Annex 1 of this report.

4.7. Acceptable discrepancy margin

We recommend to set the final acceptable discrepancy which will result from the reconciliation between the reporting templates of the extractive companies and those of the Government Agencies/SOEs at the rate of 2% of the total revenues declared by the Government Agencies/SOEs.

Furthermore, as part of the reporting template finalization, we recommend to set a variance threshold of Kyats 5 million to be used as an acceptable level of effort to spend in attempting to resolve discrepancies. In the cases where the reported revenue data from governmental bodies does not agree with the company's reported payment data, and the discrepancies are at or below the variance

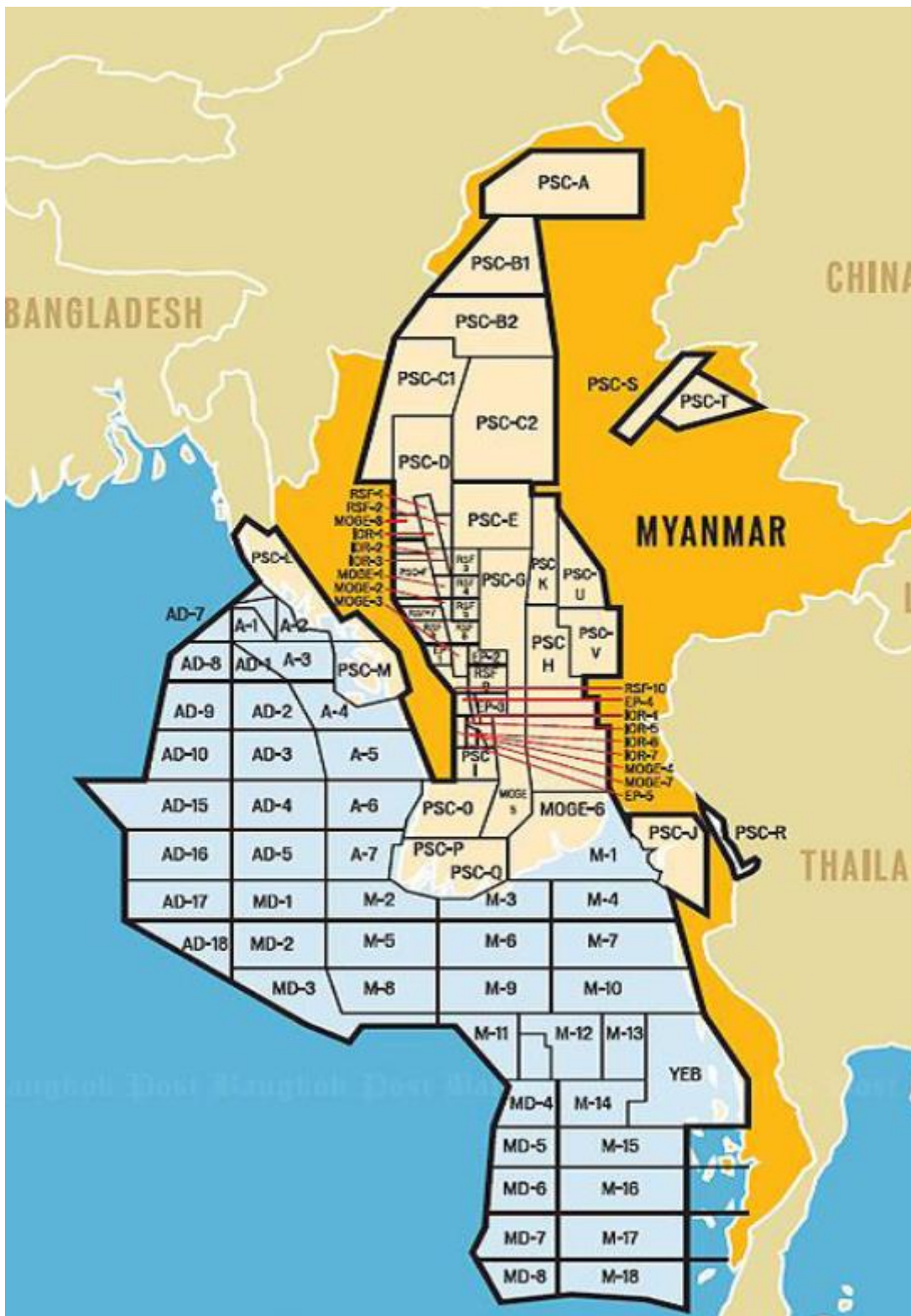
threshold established by the MSG, the EITI reconciler will conclude that the discrepancies are not material to the MEITI Report.

ANNEXES

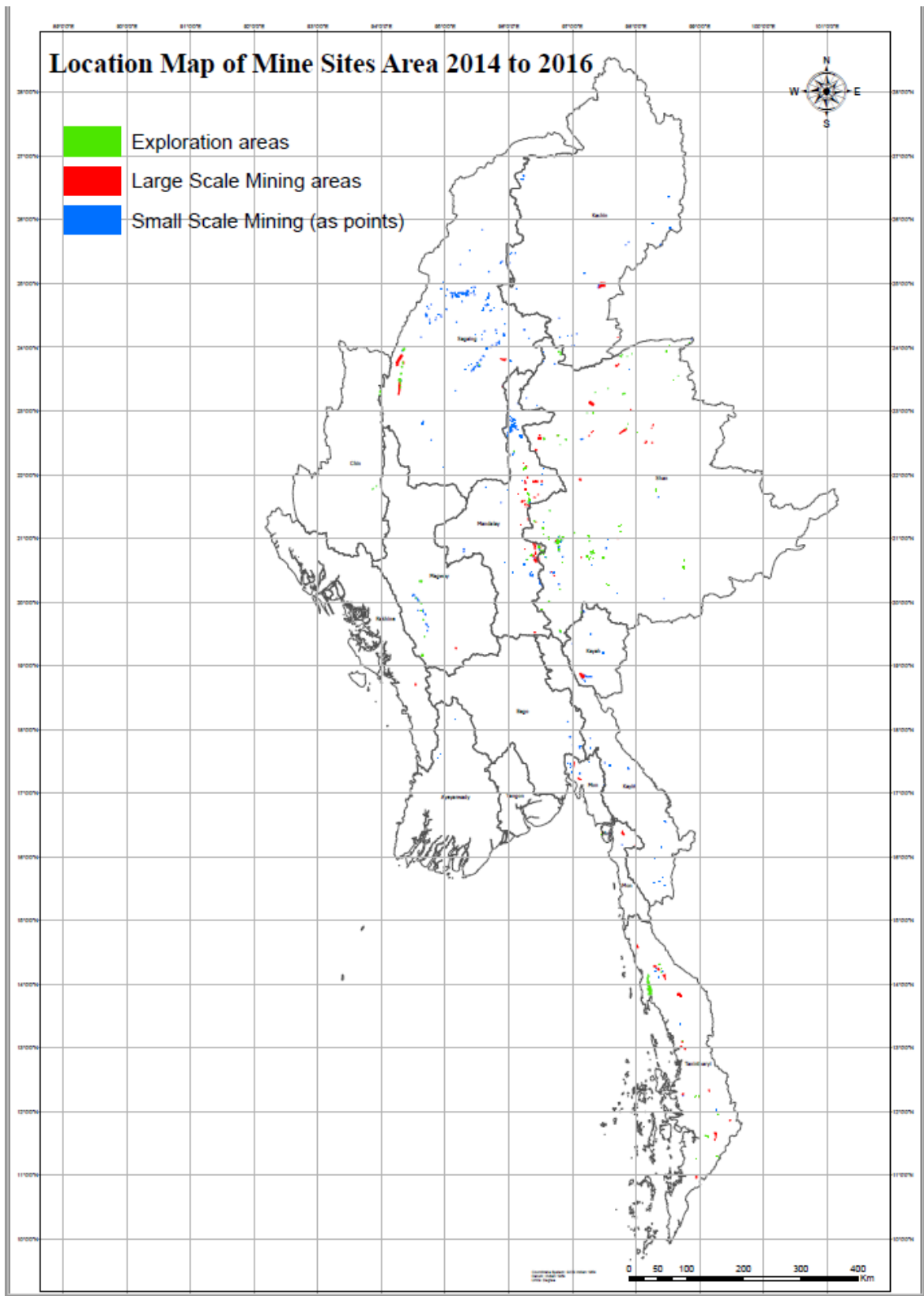
Annex 1: Declaration forms

See excel sheets

Annex 2: Map of oil & gas blocks in Myanmar



Annex 3: Mineral Deposit Map in Myanmar



Annex 4: List of mining licenses

See excel sheets

Annex 5: List of O&G companies

See excel sheets

Annex 6: Persons involved or contacted

Persons involved

Moore Stephens LLP	
Tim Woodward	Partner
Ben Toorabally	Head of Office / Mission Director
Karim Lourimi	Senior Manager
Elyes Kooli	Audit Senior
Lisa Saw	Audit Senior
Cho Cho Toe & Associates -	
Cho Cho Toe	Partner
Daw Tin Myo Thu Zar	Audit Senior

Persons contacted

MEITI National Coordination Office (NCS) / MEITI Office (MoPF)	
U Soe Win	National Coordinator
Zin Mar myaing	Program manager
Aung Khine	Deputy National Coordinator
Tar Yar Maung	Technical advisor

Ministry of Electricity and Energy (MOEE)	
U Myo Myint Oo	Managing Director, MOGE
U Than Htay Aung	MEITI-MSG Alternate / Expert (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

Ministry of Natural Resource and Environmental Conservation (MONREC)	
U Win Htein	Deputy Chair of MEITI-MSG/Experts , Department of Mines
U Khin Latt Gyi	Director General, Department of Mine
U Kyaw Thet	MEITI-MSG / Deputy Director General, Department of Mines
U Tun Tun Lwin	Director, Mining Enterprise 1
Daw Ma Kyawt	Staff officer, Mining Enterprise 1
U Aye Zaw	Director, Mining Enterprise 2
U Ye Myo Min	Senior Engineer, Mining Enterprise 2
Dr Ye Myint Swe	Director General, Department of Geological Survey and Mineral Explorer
Dr. Zaw Linn Aung	Director, DGSE
U Thein Tun	Assistant Director, Department of Mines
Daw Soe Sandar Maung	Staff officer, Department of Mines
U Myo Naing	Director, Myanmar Gems Enterprise
U Minn Thu	Deputy Director, Myanmar Gems Enterprise
U Hla Aung	Assistant Director, Myanmar Gems Enterprise
Daw Kyu Kyu Win	Assistant Deputy Director, Myanmar Gem Enterprise
U Htun Htun Zaw	Assistant Deputy Director, Myanmar Gem Enterprise
U Myint Thu	General Manager, Myanmar Pearl Enterprise

Ministry of Natural Resource and Environmental Conservation (MONREC)	
U Tay Zar Linn	Deputy General Manager, Myanmar Pearl Enterprise
U Tin Htun	Director, Planning and Statistic Division, Forest Department
U Win Naing	Deputy Director, Planning and Statistic Division, Forest Department
Daw Aye Aye Nyein	Deputy Director, Finance Division, Forest Department

Ministry of Planning and Finance	
U Maung Maung Win	Deputy Minister

DICA, Ministry of Planning and Finance	
---	--

U Aung Naing Oo	Director General, DICA
U San Myint	Deputy Director General, DICA

Central Statistic Organization, Ministry of Planning and Finance	
---	--

Dr Wah Wah Maung	Acting Director General, Central Statistic Organization
Daw Khin Aye Mu	Deputy Director, Planning Department

Budget Department, Ministry of Planning and Finance	
--	--

U Aung Myat Kyaw	Director (SEE, Budget Department)
Daw Yee Yee Win	Deputy Director (SEE, Budget Department)
Daw Lwin Lwin Khaing	Deputy Director (MEITI office, Budget Department)

MEITI office, Budget Department, Ministry of Planning and Finance	
--	--

Daw Khin Khin Lwin	Director (MEITI office, Budget Department)
U Sann Win	Deputy Director (MEITI office, Budget Department)
Daw Hnin Wai Aung	Assistant Director (MEITI office, Budget Department)
Daw Khin Pa Pa Khaing	Assistant Director (MEITI office, Budget Department)
Daw Thin Thin Aung	Staff Officer (MEITI office, Budget Department)
Daw Shwe Yee Win	Staff Officer (MEITI office, Budget Department)

Internal Revenue Department, Ministry of Planning and Finance	
--	--

Daw Mya Mya Ohn	Deputy Director General, IRD
U Nay Linn Soe	Director, IRD
Ma Ei Ni Tar	Staff Officer, IRD
Daw Min Min Khaing	Assistant Director, IRD

Treasury Department, MoPF	
----------------------------------	--

Daw Ye Ye Khaing	Director (Treasury Department)
Daw Lwin Lwin Khaing	Deputy Director (Treasury)

Customs Department, Ministry of Planning and Finance	
---	--

U Kyaw Htin	Director General, Custom Department
U Maung Maung Htwe Swe	Director, Custom Department
U Than Swe Tint	Assistant Director, Custom Department
U Zaw Zaw	Staff Officer, Custom Department

Auditor General Office	
-------------------------------	--

Daw Naing Thet Oo	Director General
Daw San San Win	Deputy Director General
Daw Khaing Khaing Ag	Deputy Director General
Daw Htar Yee	Director
Daw Si Si Chain	Director
Daw Kyi Khin May	Deputy Director (Oil and Gas)
Daw Hla Than	Deputy Director (Natural Resources)
Daw Mary	Assistant Director
Daw Kywat Kywat Htun	Asssitant Director