**Original Research Article**

**Governmental Inter-Agency Taxation Data Sharing Systems by Tax Laws in Myanmar and Republic of Korea: A comparative Analysis**

**ABSTRACT**

Access to information is crucial for the enforcement of judiciary in a tax administration. In Asia, while it is highly likely that some countries are advanced in this area, some are seemingly still left behind far away. Therefore, this study explores their weaknesses and strengths by comparing one of the less developed legislations (Myanmar) with the advanced one (Republic of Korea), in this area. The study delves into their upholding legislation systems of taxation through the lens of inter-agency information or taxation data exchanging mechanisms, makes a comparative analysis and proposes recommendations to energize the ineffectual mechanisms of the effete legislation. Moreover, the study aims to contribute as the initiative leading to “a whole of government approach” in Myanmar.

***Keywords:*** *comparative law; information delivery; inter-agency; tax administration; taxation data sharing.*

**1. INTRODUCTION**

In order to advance the transparency and accountability in the tax administration, Myanmar does have limitations in adopting digital technologies due to limited infrastructure and other resource constraints. Therefore, enhancing efficient information accessibility by strengthening tax laws legislation, as an initiative associated to further a whole of government approach, is the most appropriate solution for current Myanmar.

In Myanmar's tax laws legislation, the laws are not well connected for the matter of inter-agency information or taxation data sharing and moreover, there is a notable absence of specific laws or systems governing that information delivery and management. To identify the needs in this area, a comparative analysis was conducted using the Union Taxation Law and the Tax Administration Law provisions related to Myanmar, alongside the Republic of Korea's (Hereinafter it would be stated as ROK) Act on the Submission and Management of Taxation Data while its legal basic, authority to request data, penalties for non-compliance and practical implementation lead to the efficient information accessibility.

**1.1. Objectives**

The primary objective of this study is to highlight the weakness in Myanmar’s tax laws for the mater of inter-agency taxation data sharing by comparing it with its management upholding in the Republic of Korea and find out the most appropriate initiative strategy in advancing its legislation.

The specific objectives include:

To understand the real circumstances of inter-agency taxation data sharing system in Myanmar.

To explore the advanced management of taxation data in ROK.

To provide actionable recommendations for Myanmar’s inter-agency taxation data sharing system.

**1.2. Research Question**

***How could we advance the inter-agency taxation data sharing and management definitions in Myanmar’s tax laws***?

**1.3. Literature Review**

Tax revenue plays a crucial role in promoting economic growth and social development. In this regard, enhancing domestic resource mobilization (DRM) through taxation is vital for increasing tax revenue to accelerate economic growth and social development in developing countries. However, achieving DRM remains a critical challenge in pursuing sustainable development, since lower-income countries collect less taxes as a share of gross domestic product (GDP).

The implementation of digitalization can revolutionize tax enforcement technology by enabling the acquisition of extensive and precise data on individuals’ consumption patterns, leading to enhanced fairness and effectiveness in redistributing income through advanced tax systems.

Additionally, there is a global trend toward implementing digital transformation in tax administration due to its ability to effectively handle vast amounts of information. However, developing countries may face challenges and limitations in adopting digital technologies due to limited infrastructure and other resource constraints. Moreover, there is a risk that the extensive information provided by digitalization could be misused by authoritarian regimes or for corrupt purposes. To mitigate these risks and ensure fair tax reforms, concerted efforts are necessary, including strengthening government institutions, promoting good governance, and providing oversight and assistance through international organizations. By addressing these challenges and harnessing the benefits of digitalization, countries can strive for more efficient and equitable tax systems that contribute to sustainable development and economic growth. By taking a “whole of government approach” in promoting data sharing within the government, maximizing the value of government data as the core engine of digital transformation has been encouraged. (Kim, 2023).

Interagency cooperation has an important strategic role to play, not only in the context of investigations, but also at the prosecution state. Clearly, then, a “whole of government” approach is needed to enable agencies to successfully detect, prosecute, and recover the proceeds of interconnected financial crimes. (World Bank Group, 2022)

Myanmar, in 2022/2023, tax revenue from major sources is estimated as 5.1 percent of GDP (World Bank, 2023) while South Korea’s tax-to-GDP ratio is 28.9%, reflecting effective tax collection, the significant improvements due to strong tax administration (OECD, 2024). According to above literature reviews, ROK has its robust history of tax enforcement technology revolution by enabling the acquisition of extensive and precise data along with the adoption of comprehensive tax laws legislations.

In order to resolve the research question of this study, a descriptive approach is conducted in the comparison of the tax legislations of these two different countries. This approach is a traditional view of the comparative law. The traditional view in comparative law refers to the classical approach, focusing on the formal structures and classification of legal systems into broad categories. This approach is primarily descriptive and taxonomic, emphasizing the comparison of legal rules and institutions as they exist in written form, often without considering their social, cultural, or historical contexts (Zweigert and Kotz, 1998; Glenn, 2014). A key feature of the traditional view is that it is primarily descriptive, aiming to map and classify legal systems rather than critically analyze them. It often uses a taxonomic approach, organizing legal systems into categories (Zweigert and Kotz, 1998).

In order to mitigate the critiques of the traditional view of this study, a functionalist analysis is engaged by focusing on the practical outcomes and problem solving. In response to the critiques of the traditional view, modern comparative law has developed alternative approaches, such as Functionalism that focuses on the purpose and function of legal rules rather than their formal structure (Zweigert and Kotz, 1998).

Again, in order to energise the functionalism of the study, as for critical comparative, a qualitative content analysis is utilized by comparing legal disclosures in order to find out and compare how different legal systems frame and address similar issue. Content analysis is a research technique for making replicable and valid inferences from texts (or other meaningful matter) to the contexts of their use (Krippendorff, 2013, p. 24). In this way, the concept and platform of this research is logically derived from a consistent literature review.

**2. METHODOLOGY**

**2.1. Comparative Analysis**

A comparative analysis, through the lens of inter-agency taxation data sharing efficiency, is implemented between the similar laws of the different countries in order to examine their weaknesses and strengths, and finds out the efficacious solutions for the effete one. The comparative study is proceeded by adopting “Comparative research process - traditional view” by Cambridge Hand Book of Comparative Law, 2024.

**Comparative research process-traditional view**

**Making research question**

**Building comparative framework**

**Describing systems**

**Listing Similarities and Differences**

**Considering explanations**

**Evaluation of discoveries**

*Figure.1. The traditional comparative research process, the study adopted*

**2.2. Comparative Framework**

A comparative framework of functionalism is applied for the comparative analysis between the tax laws of two different countries. The context of information or taxation data sharing is the focused performance outcome (purpose or function) which is the independent variable of the research and in order to determine it, four dependent variables are framed as the dimensions.

The definition of performance outcome and its dimensions are resulted as the foundation of functionalist analysis from the findings of the descriptive approach of the study.

**Dimensions Performance Outcome**

***(Dependent Variables)*  (*Independent Variable)***

**Authority to Request Data**

**Legal Basic**

**Penalties for Non- compliance**

**Practical Implementation**

**Information Accessibility**

*Figure.2. The Comparative Framework of functionalism*

**2.3. Integrating Content Analysis with Functionalist Analysis**

By integrating content analysis with functionalist analysis, this study provides a comprehensive understanding of how the tax laws of Myanmar and ROK address taxation data sharing matter. The content analysis and functional analysis are contributed into the unique research problem of “how Myanmar and ROK’s Tax Laws regulate taxation data sharing differently”. The legal texts are selected by the context of taxation data sharing purpose. In developing the coding framework, there are four dimensions of the performance outcome for the functionalist analysis. The key terms and framings are defined to analyze the legal texts of the different tax law legislations. Then the comparison of functional outcomes is carried out and the integrated findings are contextualized.

**Research Problem**

*“How differently Myanmar and ROK’s Tax Laws regulate taxation data sharing?”*

**Select Legal Texts for Analysis**

**Develop Coding Framework**

*Functionalist Codes*

*Content Analysis Codes*

**Analyze Legal Texts**

**Compare Functional Outcomes**

**Contextualize Findings**

*Figure.3. The Process of Integrating Content Analysis with Functionalist Analysis*

**3. RESULTS AND DISCUSSION**

**3.1 Describing the Systems**

A descriptive Approach is conducted to find out the weaknesses of Myanmar’s legislations and the strength of ROK’s legislation in order to establish the findings as the foundation for further study of the functionalist analysis, in the context of taxation data sharing efficiency.

3.1.1 ROK’s Act on the Submission and Management of Taxation Data

In addition to the relevant tax laws, Korea has also enacted an act on the issue of information transmission for tax collection, and in such an act, it has been found to be linked to the following laws;

1. Act on Real Name Financial Transactions and Confidentiality
2. Financial Investment Services and Capital Markets Act
3. Financial Services Commission and Financial Companies
4. Framework Act on National Taxes
5. Local Public Enterprises Act
6. National Finance Act
7. Subsidy Management Act
8. Value-Added Tax Act, the Income Tax Act and the Corporate Tax Act

The Act is structured by following sections;

1. Management, Utilization, etc. of Taxation Data
2. Method, etc. of Submission of Taxation Data
3. Relationship to Other Statutes
4. Request for Cooperation in Collection of Taxation Data
5. Responsibilities, etc. of Institutions Subject to Submitting Taxation Data
6. Scope of Institutions Subject to Submitting Taxation Data
7. Scope of Taxation Data
8. Submission of Taxation Data on Financial Transactions
9. Confidentiality

**Findings (The Strength)**

Legal Basic

Upon examining this Act, it is evident that it is established as a separate piece of legislation specifically for taxation data and is interconnected with various related laws.

Authority to Request Data

Notably, according to the structure and the contents, the Act prioritizes not only the responsibilities and authority of the requesting organizations but also those of the organizations required to send the information.

Practical Implementation and Penalty Provisions

The structure of the Act comprehensively outlines the responsibilities of the organizations required to send information for tax collection, the methods and procedures for delivery, the scope of requests, management and application of information, and the associated penalties.

3.1.2 Myanmar’s Union Taxation Law and Tax Administration Law

**Findings (The Weaknesses)**

Legal Basic

Overall, according to the structure and the contents, the Union Taxation law only focuses on the tax rates and tax collection target. The one and only article of the law that defines the authority to request data is its article 10.

The purpose of the Tax Administration Law is that: to effectively collect taxes; to make the administration of different types of taxes consistent; to precisely establish rights and obligations of taxpayers; to exactly specify the powers and duties of the Internal Revenue Department; and to facilitate and simplify the application of the self-assessment system.

Authority to Request Data

According to the Union Taxation Law of Myanmar, 11 Union Ministries and the Nay Pyi Taw Council are responsible for tax collection. Article 10 of this law specifies the ministries that collect taxes and the entities from which they can obtain necessary information.

The Tax Administration Law mandates the precise definition of the tasks and powers of the Internal Revenue Department.

Practical Implementation and Penalty Provisions

In the context of inter-agency taxation data sharing, both of the laws only outline the duties and powers of the tax collecting department. It does not specify the responsibilities of organizations required to provide information for tax collection, the methods for transmitting this information, the types of information needed. The laws do not stipulate the duties and powers of the organizations required to send information for tax collection. A weak penal provision is rarely found in the Tax Administration Law, there is a provision of fine but there is no provision of strong punishment such as an imprisonment sentence.

**3.2 Content Analysis**

Based on the provisions of the above ROK’s Act in relation to the issue of information delivery, we will continue to present some findings in the comparative study of the information delivery provisions of the Union Taxation Law. Since this law is linked to the Tax Administration Law, it is also necessary to explore their connection, in the context of inter-agency taxation data sharing.

The key term for the content analysis of the Myanmar laws is “**information**” and the framing is “**the accountability of the organizations required to send information**”.

(a) According to Article 10 of the Union's tax law, which outlines the responsibilities and powers of relevant ministries, assistance can be obtained from the persons and organizations mentioned in this article. However, it has been found that there are no provisions regarding the management and application of information for tax collection, nor the duties and powers of the organizations required to send this information.

(b) According to Section 4 (Purpose) of the Tax Administration Law, Clause (c) specifies the rights and responsibilities of taxpayers, and Sub-clause (d) mandates the precise definition of the tasks and powers of the Internal Revenue Department. However, it is found that the law does not stipulate the duties and powers of the organizations that are required to send information for tax collection.

(c) Section 26 (Notification to Obtain Information) of the Tax Administration Law provides that the Director General or the officer in charge may subpoena a taxpayer or a non-taxpayer to provide information or to be examined. Additionally, this section overrides other existing laws related to the issuance or observation of document marks or other identification evidence.

(d) Section 73 (Failure to Comply with Notice to Send Information) of the Tax Administration Law stipulates that anyone who fails to provide the requested information within the specified time shall be fined not more than five hundred thousand kyats.

(e) Section 8 (Confidentiality) of the Tax Administration Law states that if a person is authorized to disclose information, they may only do so to the extent necessary, and the remaining information must be kept confidential.

In contrast, the provisions of the Union Taxation Law and Tax Administration Law primarily stipulate the duties and powers of the tax collection department, without detailing the responsibilities and powers of the reporting organizations. Consequently, the department responsible for tax collection relies on requesting information rather than having an automatic reporting system in place. No penal provision is found in Union Taxation Law. In the Tax Administration Law, there is a provision of fine but it is not a respectable amount. There are no penalties imposing hard labour and imprisonment.

Therefore, in addition to outlining the authority of the relevant ministry, the Union's tax law should also specify the duties of organizations required to send information for tax collection. This includes detailing the methods for sending information, the scope of taxation data, and incorporating strong and explicit penalty provisions. By adding these elements, the law's effectiveness and enforceability will be significantly enhanced.

The key term for the content analysis of the ROK’s Act is “**taxation data**” and the framing is “**the accountability of the organizations required to send taxation data**”.

Article 7 of the Republic of Korea's Act specifies the method for sending information to collect tax. According to sub-clause (a), the head of the organization responsible for sending taxation data must submit this information to the tax office, the Regional Tax Office, or the National Tax Office every three months. This submission must occur on the last day of the final month of the relevant quarter, in accordance with the Presidential Decree. Alternatively, the President may issue an order to set the submission time based on the frequency and timing of the taxation data's compilation and use.

Article 10 of the same Act outlines the responsibilities of organizations required to send information for tax collection. Sub-clause (a) mandates that the head of such an organization, along with public officers or employees under their supervision, must periodically verify that the duty to submit taxation data is being correctly performed. Sub-clause (b) states that if an organization, public officer, executive, or employee fails to properly perform this duty, the Commissioner of the National Revenue Department must supervise the organization and notify its head to conduct an audit or inspection.

Additionally, Article 11 of the Act addresses confidentiality, while Articles 13, 14, and 15 outline the punishment provisions. If officials of the organizations required to send information for tax collection violate the relevant provisions of this Act, they may face penalties including hard labour, imprisonment, and fines, which can be imposed simultaneously.

**3.3. Comparative Analysis by inter-agency taxation data sharing efficiency**

|  |  |  |
| --- | --- | --- |
| **Aspect** | **Union Taxation Law (2024),****Tax Administration Law (2019) (Myanmar)** | **Act on the Submission and Management of Taxation Data (Republic of Korea)** |
| **Legal Basic** | General tax laws with limited provisions | Specialized law with detailed provisions |
| **Authority to Request Data** | IRD can request data but lacks clear procedures | NTS has clear authority and procedures for data requests  |
| **Penalties for Non- compliance** | Not explicitly addressed | Strict Penalties and Robust Enforcement |
| **Practical Implementation** | Manual and ad hoc processes | Fully automated and integrated system |

*Table.1. The Comparative Analysis matrix*

**Comparison Results**

**Similarities:** No similarity is found in all dimensional results.

**Differences:** All four dependent variables or dimensions are different in the context of independent variable or the performance outcome. This phenomenon leads the research to the conclusion that the Union taxation law of Myanmar is needed for large amendment in the context of taxation data sharing purposes in order to catch up that efficiency of ROK’s Act.

**Comparison Results of Myanmar Tax Laws Against ROK’s Act**

|  |  |  |
| --- | --- | --- |
| **Dimension** | **Comparison Result** | **Further Improvement** |
| **Legal Basic** | difference | Needed |
| **Authority to Request Data** | difference | Needed |
| **Penalties for Non- compliance** | difference | Needed |
| **Practical Implementation** | difference | Needed |

*Table.2. Comparison Results and the need for further improvement of Myanmar Tax Laws Against ROK’s Act*

**3.4. Integrated Findings**

Myanmar tax laws only emphasize the authority and accountability of the tax collecting organizations reflecting the definition of tax information is one sided, making it weak in compliance for the reporting agencies. On the other hand, ROK’s Act focuses on all stakeholder organizations and reflecting transparency and having strong regulatory mechanisms.

In summary, the comparative study reveals that there are specific requirements regarding the responsibilities of organizations in relation to information, the methods of sending information, the scope of information, and the associated penalty provisions in Myanmar tax laws in the comparison with the ROK’s Act.

**4. RECOMMENDATIONS**

For the purpose of proposing key amendments and additions, the Union Taxation Law, owing to its expeditious and swift implementation, is selected. In addition to outlining the authority of the relevant ministry, the Union taxation law should also specify the duties of organizations required to send information for tax collection. This includes detailing the methods for sending information, the scope of taxation data, and incorporating penalty provisions. By adding and enforcing these elements, the law's effectiveness and enforceability will be significantly enhanced. The following samples of provisions, which are transplanted from ROK’s Act and adjusted to harmonize with Myanmar’s Union Taxation Law, are recommended for addition and enforcement:

**Definitions**

"Taxation data" refers to the information prepared or managed by organizations required to send taxation data in relation to national tax collection management duties.

"Organization required to send taxation data" refers to the organizations mentioned in this Law that can provide the necessary information and support to the relevant ministry.

**Responsibilities of Entities Required to Send Information for Tax Collection**

The head of the organization required to send taxation data, along with the public officers or employees under their supervision, shall periodically verify that the duty to submit taxation data according to this law is being correctly performed.

If an organization, public officer, executive, or employee fails to properly fulfil the responsibility of sending taxation data under this law, the relevant ministry shall supervise the organization and notify its head to conduct an audit or inspection.

**Method of Sending Taxation Data**

1. The head of the organization required to send taxation data must submit this information to the relevant ministry every three months, specifically on the last day of the final month of the relevant quarter. Alternatively, the relevant ministry may issue an order to set the submission time based on the frequency and timing of the taxation data's compilation and use.
2. At the time of sending taxation data as per clause (a), the head of the organization must also submit a list of the taxation data received or prepared by their organization.

(c) Upon receiving the list of taxation data, the head of the relevant ministry may review the information and request the sending organization to add or make necessary additions to the taxation data.

(d) The relevant ministry shall issue orders specifying other necessary matters related to the method of sending taxation data, including the document forms required for submitting this information.

**Field of Taxation Data**

Taxation data requested by the relevant ministry or to be sent by organizations required to send such information must be directly related to the country's tax collection management.

According to paragraph (a), the information stored by the organizations required to send taxation data must be limited to the minimum extent necessary for the management of national taxation.

**Penal Provisions**

The person responsible for sending the taxation data, or the person assigned to do so by the head of the relevant organization, who fails to comply with the provisions shall be subject to action in accordance with the Tax Administration Law or the Civil Service Law.

If the person responsible for sending the taxation data, or the person assigned to do so by the head of the relevant organization, gives or leaks the taxation data to another person, they will be punished according to the Tax Administration Law, Civil Service Law, or other relevant laws.

**5. CONCLUSION**

The pivotal finding of this study reveals the important need in Myanmar Tax Laws for the development of a sophisticated taxation framework. Regarding the efficiency of taxation data sharing mechanisms in the Union taxation Law of Myanmar, it is proposed as an initiative aimed at linking it with relevant entities and laws as it is needed to do so. Since information availability is crucial for tax administration, the study emphasizes the inefficiency in provisions of inter-agency taxation data sharing mechanisms in Myanmar Tax Laws, in comparison with the Act on Submission and Management of Taxation Data of the Republic of Korea. The recommendations derived from the findings are intended to fill up this gap in the Union Taxation Law of Myanmar. By considering and implementing the suggestions of this study, the author hope that its tax administration would be as advanced with robust law enforcement as it is upheld in the Republic of Korea, having one of the most efficient tax regulations in Asia.

**Call to Action:** Since the tax administration is not just the business of the tax department but it is the interest of the government, the author urges the policy makers of the Internal Revenue Department (IRD) and the Myanmar government to build upon the research undertaken and engage in further improvements in the future such as “a whole of government approach”.

**DISCLAIMER (ARTIFICIAL INTELLIGENCE)**

Author hereby declares that this work is entirely created by the author and no generative artificial intelligence is utilized in this manuscript.

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