

(Unofficial Translation)

The Republic of the Union of Myanmar

Ministry of Commerce

Department of Trade

Standard Operation Procedure (SOP) for Retail/Wholesale Trading Registration

Announcement No (2/2018)

Date: 26 July 2018.

Subject: Standard Operation Procedure for Retail/Wholesale Trading Registration.

1. The Ministry of Commerce has published Notification (No 25/2018) on 09-05-2018 allowing 100% foreign companies and JV companies including Myanmar citizens and foreigners to trade in the Union on retail or wholesale basis and making the stipulations.
2. Now, the Ministry of Commerce has determined the Standard Operation Procedure (SOP) to obtain the registration for retail or wholesale trading business so that Myanmar companies, foreign companies and JV companies could understand and follow the procedure clearly.
3. Myanmar companies, foreign companies and JV companies are to comply with SOP when they apply for the registration.
4. SOP is subject to change from time to time.

Department of Trade

Standard Operation Procedure (SOP)

1. The Standard Operation Procedure includes the procedure to be registered as a retailer/wholesaler and the required documents and fees for the procedure. The Ministry of Commerce (MOC) will update SOP from time to time.

Chapter I

Classifying the Companies

2. The registration procedure for retail/wholesale trading businesses will differ according to the types of the companies. There are 4 types of companies: -

(A) (Newly established) 100% foreign companies or JV companies

100% foreign companies and JV companies that will be newly established and be registered as a retail or wholesale trader in Myanmar for the first time are included in Type (A).

(B) (Existing) 100% foreign companies or JV companies

100% foreign companies and JV companies that have been incorporated in Myanmar, but that still need to apply for the registration to operate a retail/wholesale trading business are included in Type (B).

(C) 100% foreign companies or JV companies that have already been permitted to operate a retail/ wholesale trading business

100% foreign companies or JV companies that have been permitted to operate a retail/wholesale trading business under MIC Permit or any Notifications previously made for allowing foreigners to operate retail/wholesale trading businesses are included in Type (C).

(D) Myanmar companies that operate a retail/wholesale trading business covered under Notification 25/2018

Myanmar companies with an investment amount of USD 700,000 and above or equivalent Myanmar kyats are included in Type (D). Myanmar companies with an investment amount of under USD 700,000 are not required to be registered for retail/wholesale trading businesses at MOC.

Chapter II

Registration Procedure for Retail/Wholesale Trading

3. The products that are allowed to be traded under this SOP must be traded in the approved outlet (s) and this procedure shall not apply to mobile sale and distribution, door to door sale and distribution, restaurants, tea shops and coffee shops and other food and beverages related services.

Right of the Holder of Retail and Wholesale Trading Registration

4. The holders of retail/wholesale trading registration is entitled to import products for a retail/wholesale trading business by using an Importer/Exporter Registration Certificate. They are entitled to trade goods/products prioritized by MOC by notification in nationwide on retail/wholesale basis.

Application

5. The application form for retail/wholesale trading registration can be freely downloaded from www.commerce.gov.mm (MOC's website). The applicant shall fill in the form completely and 2 copies thereof and other required documents shall be submitted.
6. A company can apply for retail trading, wholesale trading or both retail and wholesale trading. The initial investment amount for both retail and wholesale trading shall be based on total of the minimum initial investment amount specified for both retail and wholesale trading.

List of prioritized goods/products

7. MOC issued the Notification for the list of prioritized goods/products to be traded by 100% foreign companies and JV companies.

Place of registration

8. Type (A), (B) and (C) companies can apply for registration at office no (3), Ministry of Commerce, Department of Trade, Nay Pyi Taw.
9. Type (D) companies can apply either at: -
 - (a) Export/Import Office (Yangon), Directorate of Trade, Ministry of Commerce, Yangon.
 - (b) Export/Import Office (Mandalay), Directorate of Trade, Ministry of Commerce, Mandalay.
 - (c) Office No (3), Directorate of Trade, Ministry of Commerce, Nay Pyi Taw.

Required Documents for retail/wholesale trading registration

10. Type (A), (B) and (C) companies must submit the following documents for retail/wholesale trading registration: -
 - (a) a company incorporation certificate;
 - (b) MIC Endorsement and Permit (copy) (for foreign companies and JV companies that fall under the criteria of MIC to obtain MIC Permit);
 - (c) the recommendation of the relevant city development committee or city development committee in the relevant Region/State;
 - (d) the list of goods to be traded in wholesale/retail mode; and
 - (e) the business plan for 5 years including:
 - (i) investment amount

(initial investment and additional investment for next 5 years for business operation);

- (ii) sale, distribution and management plan;
 - (iii) location and area; and
 - (iv) the summary of the objectives of the company to create employment opportunities, develop technology, offer good quality and fair pricing for the choice of consumers/customers and improve small and medium enterprises, etc.
- (f) the intended number of new outlet (s) and location (if possible, to mention the exact location)
- (g) the evidence for remittance/deposit of initial investment amount into the bank¹ from abroad. (If the applicant fails to submit the evidence issued by the receiving bank for initial investment amount, only the temporary registration for retail/wholesale will be issued and the permanent registration will be issued only when the evidence of remittance/deposit into the bank is shown within a month.)

Remark: Local citizens must be employed as a priority in retail/wholesale trading businesses.

11. Type (D) companies can apply for the retail/wholesale trading registration within 150 days after the date of Notification (25/2018) by showing the following evidence: -

- (a) company incorporation certificate;
- (b) the business plan for retail/wholesale sale and distribution business:
 - (i) the groups of products that are sold and distributed on retail/wholesale basis;
 - (ii) the amount cash in operation for retail/wholesale sale and distribution business in the last year;
 - (iii) sale, distribution and management plan;
 - (iv) location and area.
- (c) If there are multiple outlet (s) for sale and distribution, the number of outlets and types of goods/products that are sold and distributed therein and the business plan for retail/wholesale trading.

Chapter III

Minimum Criteria for Initial Investment for Sale Products

12. The companies that hold retail/wholesale trading registration shall comply with the initial investment requirements in accordance with Notification (25/2018) and the procedure for making minimum investment depending on the types of companies.

¹any government or private (local or foreign) banks approved by the Central Bank of Myanmar

- (a) The minimum investment amount (excluding land rent) for Type (A) and (B) companies is as follows.

Timeframe	Minimum amount to be paid
Within 30 days from the date of application of registration	At least 50% of total initial investment amount for trading shall be remitted from abroad and paid up in any banks ² and the evidence must be submitted.
Second year	At least 80% of total initial investment amount for trading shall be remitted from abroad and paid up in any banks and the evidence shall be submitted by the last month of the second year of business operation.
Third year	The remaining initial investment amount for trading shall be remitted from abroad to any banks so that 100% would be paid up and the evidence shall be submitted by the last month of the third year of business operation.

- (b) If Type (B) companies are in the process of manufacturing and distributing the products locally, and they wish to import the products from abroad for trading, the minimum investment amount (excluding the land rent) are as follows:

Timeframe	Minimum amount to be deposited
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² any government or private (local or foreign) banks approved by the Central Bank of Myanmar



<p>Within 30 days from the date of application of registration and within the first year of business operation</p>	<p>At least 50% of total initial investment amount for trading during the first year of business operation from the commencement of business shall be paid up and the amount can be split in two times as follows:</p> <ul style="list-style-type: none"> - At least 20% of initial investment amount stipulated for 100% foreign companies shall be remitted from abroad to any banks by showing the price list or description of local products that are to be traded on retail/ wholesale basis submitted at the time of applying for registration and the evidence of remittance shall be submitted (within 30 days). - The remaining 30% shall be remitted from abroad to any banks and the evidence shall be submitted by the last month of the first year of business operation.
<p>Second year</p>	<p>At least 80% of total initial investment amount for trading shall be remitted from abroad to any banks and the evidence shall be submitted by the last month of the second year of business operation.</p>
<p>Third year</p>	<p>The remaining initial investment amount for trading shall be remitted from abroad to any banks so that 100% would be paid up and the evidence shall be submitted by the last month of the third year of business operation.</p>

(c) The minimum investment amount for Type (C) companies is given hereunder:

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- (i) to submit the evidence for paid-up capital on trading from the commencement date of retail/wholesale trading business until 30 days prior to the date of application for registration;
- (ii) to mention the
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nal investment plan to meet the stipulated investment amount within 5 years of the first term of registration. (Companies that do not meet the stipulated amount of investment shall, within 5 years, remit/fill up the initial investment amount stipulated as per Notification (No 25/2018) for 100% foreign companies and JV companies.)

- (iii) to submit the evidence of paying up the initial investment amount that meet the stipulations within first 5 years when registration is renewed after the first term has been expired.
 - (d) Type (D) companies are required to register their retail/wholesale trading businesses, but there is no limitation for them regarding the initial investment amount.
13. If Type (A), (B) and (C) companies fully paid up the stipulated initial investment, they are not required to submit the evidence for additional investment to be made. The remittance or paying up of initial investment from abroad can be transacted in any government or private (local or foreign) banks approved by the Central Bank of Myanmar.

Chapter IV

Floor Area

14. Type (D) companies may operate each retail or wholesale outlet without being restricted for floor area.

For retail business

15. Each retail outlet shall have 929 square metre and above in which the area of retail office and storage room can be included. However, the office, warehouse and car parking outside of the building shall not be included.
16. In case of building a shopping mall, the area must be relevant for the shopping mall business which should have above 929 square metre. The owner or developer of the shopping mall shall obtain the retail trading registration and each retail outlet owner in the shopping mall need not obtain the separate registration. However, if the retail outlet owner (s) in the shopping is desirous to import products for sale, they must do so under the name of the registered shopping mall or by obtaining the exporter/importer registration certificate under the recommendation of the responsible person of the registered shopping mall.

For wholesale business

17. The area of the outlet must be spacious enough for a wholesale business depending on the types of products to be traded. If the products are to be directly sold and distributed from the warehouse, the warehouse should be located at the relevant place for sale and distribution purposes.
18. The team made up with the responsible departments and

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authorities shall conduct the field inspection to check whether the location and area of the retail/wholesale trading business are true and relevant in accordance with the facts in the business plan or whether they are matched with the recommendation of the relevant city development committee or in case the responsible departments are suspicious about the location and area information.

Chapter V

Opening new retail/wholesale outlet (s)

19. If Type (A), (B), (C) and (D) companies that are registered for a retail/wholesale trading business want to open new retail/wholesale outlet (s) and extend trading capacity, they shall, within 90 days before doing so, submit/transmit the application together with the following information either by post/courier or in person to any of the following offices addressing to the Director General, Directorate of Trade: -

(a) Offices

- (i) Export/Import Office (Yangon), Directorate of Trade, Ministry of Commerce, Yangon. (or)
- (ii) Export/Import Office (Mandalay), Directorate of Trade, Ministry of Commerce, Mandalay. (or)
- (iii) Office No (3), Directorate of Trade, Ministry of Commerce, Nay Pyi Taw.

(b) Required documents/evidence

- (i) location and area of the extended outlet (s);
- (ii) if the name of the new outlet (s) is different from the old one, the name of the outlet (s) and business plan;
- (iii) the recommendation of the relevant city development committee or the city development committee in region/state.

20. Type (A), (B) and (C) companies shall comply with Notification (No 25/2018) for initial investment amount and area of the new outlet (s).

Chapter VI

Term of Retail/Wholesale Trading Registration

Term of Registration

21. The retail/wholesale trading registration term is 5 years starting from the approval date.

Registration Fee

22. The registration fee for retail/wholesale trading is MMK 50,000 (fifty thousand kyats).

Renewing the Registration and

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Renewal Fee

23. The renewal of registration must be applied within 2 months before the registration term is expired with the company's letter head. The application of renewal must be attached with the list of directors, shares and a business plan for next 5 years (excluding evidence for an additional investment). The renewal fee is MMK 50,000 (fifty thousand kyats).

A fine for applying after the deadline

24. The fines for applications made after the deadline are as follows: -

Term	Fine
(a) Within 2 months after the deadline	20,000 MMK (Twenty Thousand Kyats)
(b) Within 4 months after the deadline	30,000 MMK (Thirty Thousand Kyats)

Suspension of Retail/Wholesale Trading Registration

25. If no application of renewal is made exceeding 4 months after expiry of registration, the registration shall be suspended and the company shall be temporarily prevented from importing products for retail or wholesale business.
26. The holder of retail/wholesale trading temporary registration must show that the minimum investment amount has been remitted from a foreign bank to any banks³ within 30 days from the date of obtaining the temporary registration and if it fails to do so, the temporary registration shall be removed.

Taking Action

27. If any companies that meet the criteria for retail/wholesale trading registration fail to register accordingly and operate a retail/wholesale trading business without registration: -
- (a) they will be warned for the first time and second time to obtain the registration; and
 - (b) if they still fail to register after the warning period, their exporter/importer registration certificates shall be removed and the import licence shall be terminated.
28. If any Type (A), (B) and (C) companies fail to remit or deposit the initial investment amount for trading or fail to submit the evidence of remittance or deposit within the stipulated timeframe:
- (a) they shall be warned for the first time and second time to submit the evidence of remittance or deposit; and
 - (b) if they still fail to submit the evidence of remittance or deposit after the warning period, their exporter/importer registration certificates shall be removed and the import licence shall be terminated.

³ any government or private (local or foreign) banks approved by the Central Bank of Myanmar

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