

A decorative graphic on the left side of the slide. It features a low-angle, upward-looking view of several modern skyscrapers with glass facades against a clear blue sky. The buildings are partially obscured by large, overlapping geometric shapes: a white triangle pointing upwards, an orange triangle pointing downwards, and a dark grey triangle pointing upwards. The overall composition is dynamic and modern.

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Myanmar Update 2020

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Scope of Presentation

- ▶ **Regulations and Policies on COVID-19 in Myanmar**
 - Overview of the COVID-19 Economic Relief Plan (CERP)
 - Banking and Finance
 - Taxes
 - Labor and Employment
 - Quarantine Requirements
- ▶ **Law Updates during 2019 – 2020**



Regulations and Policies on COVID – 19 in Myanmar

Covid-19 Economic Relief Plan (CERP)



Covid-19 Economic Relief Plan (CERP) (2)

GOAL 1

Improve Macroeconomic Environment through Monetary Stimulus



STRATEGY 1

Provide Monetary Stimulus



- Lower Interest Rates
- Lower Minimum Reserved Requirement on Bank

Covid-19 Economic Relief Plan (CERP) (3)

GOAL 2

Easing the Impact on the Private Sector through Improvements to Investment, Trade & Banking Sectors

STRATEGY 2

Ease the Impact on Private Sector Firms

STRATEGY 3

Ease the Strains in the Banking Sector

STRATEGY 4

Promote Investment

STRATEGY 5

Promote International Trade

- Establish the MMK 100 billion fund to designated commercial banks to promote trade financing of any products
- Low-cost funding to designated business
- Deferral of tax obligations
- Waiver of annual fees of license charged by the Ministry of Hotels and Tourism
- Deferral of social security contributions for three months
- Exemption of lease fees charged to affected firms (that have leased state-owned factories for manufacturing, have made progress in their line of business, and have made regular payments in the past three months) for 3-6 months.
- Waiver of import licensing and FDA requirements, as long as the products are FDA approved in another country

Covid-19 Economic Relief Plan (CERP) (4)

GOAL 3

Easing the Impact on Laborers & Workers



STRATEGY 6

Ease the Impact on Laborers/Workers



- Labor Benefits Extension
- Implement Labor-Intensive Community Infrastructure Projects

Covid-19 Economic Relief Plan (CERP) (5)

GOAL 4

Easing the Impact on Households



STRATEGY 7

Ease the Impact on Households



- Electricity Tariff Exemption
- Unconditional Cash and In-Kind Transfer – provision of cash transfer with an appropriate amount to the most vulnerable and affected households through mobile financial services transfers before the end of 2020
- Ease the Liability Burdens on Households – negotiation with private financial institutions to give more flexibility for interest and mortgage payments for households

Covid-19 Economic Relief Plan (CERP) (6)

GOAL 5

Promoting Innovative Products & Platforms



STRATEGY 8

Promote Innovative Products



- Promote the use of Mobile Financial Payments – ensuring that an e-commerce and social commerce sales only accept electronic money through bank transfers or mobile payments or card payments
- Promote the usage of e-Commerce and Social-Commerce Systems

Covid-19 Economic Relief Plan (CERP) (7)

GOAL 6

Healthcare Systems Strengthening



STRATEGY 9

Promote Healthcare System through Increased Government Spending & Regulatory Reform



- Extend and improve quarantine centers/facilities
- Immediately import medical-related products for the prevention, control and treatment of COVID-19 from well-known suppliers without going through a lengthy procurement process
- Establish hand-washing stations at convenient and accessible locations
- Recruit and enhance skills of doctors, nurses, medical staff, healthcare workers and volunteers (engaged in a short-term, emergency basis)
- Upgrade existing hospitals and healthcare centers based on different priority levels as much as practically possible

Covid-19 Economic Relief Plan (CERP) (8)

GOAL 7

Increase Access to COVID-19 Response Financing



STRATEGY 10

Increase the COVID-19 Fund and Contingency Fund



- Budget Reallocation – cutting, as much as practically possible, the 2019-20 budget allocated to all government entities up to 10% for reallocation to the COVID-19 Fund.
- Improve Budget Flexibility and Responsiveness
- Increase Access to COVID-19-Related Development Financing

Banking and Finance

Reduction in Bank Interest Rates



Directive 8/2020, effective from May 1, 2020

- The minimum bank deposit rate must not be less than 5%.
- The maximum interest rate on secured lending **must not be more than 10%**.
- The maximum interest rate on unsecured lending **must not be more than 14.5%**.
- The maximum rates *include* bank commitment and management fees.
- This directive is in line with Section 1.1.1 of the CERP (Goal 1).

Banking and Finance 2

Low-Cost Funding



Announcement of Ministry of Planning and Finance dated March 18, 2020

- Promotion of low-cost funding of 1-year working capital loans to improve working capital of affected SMEs, with a focus on SMEs in the CMP basis and hotel/tourism sectors at 1% interest rate per annum
- This directive is in line with Section 2.1.1 of the CERP (Goal 2).

Taxes

Tax Deferral and Waiver Policies



Announcement of the Internal Revenue Department

- Postponement of corporate income tax and commercial tax payments due in March and June 2020 to September 30, 2020 for CMP businesses, hotel and tourism businesses, and SMEs
- Waiver of the 2% withholding tax on exports
- Exemption of customs duties, commercial tax, and specific goods tax imposed on the import and distribution of medical supplies and products related to the prevention, control, and treatment of COVID-19
- This directive is in line with Section 2.1.3 of the CERP (Goal 2).

Labor and Employment

Social Security

- Allowing employers to make social security payments quarterly, instead of monthly
- Extending healthcare benefits, medical benefits and travel benefits for unemployed social security members from six months to one year from their date of unemployment

Workplace Requirement

- Employers and employees are required to comply with the workplace requirements, which was announced by the Ministry of Health and Sports on March 19, 2020.

Quarantine Requirements

Myanmar's Airport to Reopen on June 15, 2020



Foreigners travelling to Myanmar will have to fulfil a 21-day quarantine as follows

- Travelling to Myanmar is only permitted for working purposes.
- Fulfilment of a **21-day quarantine** is required:
 - **1 week** home quarantine in their respective country before travelling – a Covid-19 Negative Certificate is required to present to the officer;
 - **1 week** state quarantine upon arrival in Myanmar; and
 - **1 week** home quarantine in Myanmar and will be allowed to work only if a nasal swab sample results negative.



Law Updates during 2019 - 2020

Law Updates during 2019 - 2020

- ▶ Law amending the Settlement of Labour Dispute Law (Law no. 17/2019, June 3, 2019)
- ▶ Law amending the Myanmar Investment Law (Law no. 19/2019, June 6, 2019)
- ▶ Tax Administrative Law (Law no. 20/2019, June 7, 2019)
- ▶ Child Rights Law (Law no. 22/2019, July 23, 2019)
- ▶ Union Tax Law (Law no. 30/2019, September 24, 2019)
- ▶ Amending the Stamp Act (Law no. 32/2019, November 26, 2019)
- ▶ The Law of Protection from Increased Import Volume (Law no. 35/2019, December 24, 2019)
- ▶ Insolvency Law (Law no. 1/2020, February 14, 2020)
- ▶ Amending the Farm Law (Law no. 2/2020, February 14, 2020)
- ▶ Industrial Zone Law (Law no. 7/2020, May 26, 2020)
- ▶ Lift-off Liquor Import Ban Notification no. 38/2020 and 39/2020 of Ministry of Commerce, May 25, 2020)



Law amending the Settlement of Labour Dispute Law

(Law no. 17/2019, June 3, 2019)

Law amending the Settlement of Labour Dispute Law

- ▶ Amendment on definitive provisions on worker, employer, strike, collective bargaining, collective agreement, dispute, individual dispute, collective dispute
- ▶ Amendment on the formation of a workplace coordinating committee
- ▶ Amendment on the formation of a conciliation body, a dispute settlement arbitration body, a dispute settlement arbitration council
- ▶ Amendment on some process of dispute settlement mechanism

Law amending the Settlement of Labour Dispute Law

2012 Provision

Worker means a person who relies on his labour to engage in economic activity or to generate a livelihood, including a daily wage earner, temporary worker, worker engaged in agriculture, domestic worker, government employee and apprentice. Moreover, it also includes a worker terminated or dismissed from work during the dispute. This expression does not include the Defence Services personnel, member of the Myanmar Police Force or member of the armed organizations under the control of the Defence Services;

2019 Amendment

Worker means a person who earns living by wage and work with employer by using his physical or intellectual power. Moreover, it also includes apprentice, worker under probation and a worker terminated or dismissed from work during the dispute. This expression does not include the Civil Service personnel, Defence Services personnel, member of the Myanmar Police Force or member of the armed organizations under the control of the Defence Services;

Law amending the Settlement of Labour Dispute Law

2012 Provision

Employer means **a person who carries out by hiring one or more worker on wages of mutual consent in any trade under the relevant employment agreement, including a person who manages, supervises and administers directly or indirectly and is responsible to pay wages to the worker and responsible for employing and terminating the employment of the worker.** This expression includes the legal managerial agent of the employer and in private business if the employer passed away, his heir and the legal successor of share are also included.

2019 Amendment

Employer means **a person who responsible to pay wage to the worker to have the labour for the business.** This expression includes business successor or its legal representative, the authorize person, chief management person and board of directors in case of a company established under Myanmar Companies Law.

Law amending the Settlement of Labour Dispute Law

Formation of Workplace Coordinating Committee

2012 Provision

- ❑ if there is any labour organization
 - (i) **two** representatives of workers nominated by each of the labour organizations;
 - (ii) an equivalent number of representatives of employer;

- ❑ if there is no labour organization
 - (i) **two** representatives of workers elected by them;
 - (ii) **two** representatives of employer.

2019 Amendment

- ❑ if there is any labour organization
 - (i) **three** representatives of workers nominated by each of the labour organizations;
 - (ii) an equivalent number of representatives of employer;

- ❑ if there is no labour organization
 - (i) **three** representatives of workers elected by them;
 - (ii) **three** representatives of employer.

Law amending the Settlement of Labour Dispute Law

Immediate negotiation with Workplace Coordinating Committee

2012 Provision

In trades that is not forming the Coordinating Committee because of the number of worker is less than 30, if the grievance is requested to the employer, the employer shall negotiate, coordinate and settle with the workers or with their representatives **within five days, not including official holidays**, from the day of receipt of request, and keep the record of settlement and send it to the relevant Conciliation Body if requested.

2019 Amendment

In trades that is not forming the Coordinating Committee because of the number of worker is less than 30, if the grievance is requested to the employer, the employer shall negotiate, coordinate and settle with the workers or with their representatives **within seven days from the day of receipt of request**, and keep the record of settlement and send it to the relevant Conciliation Body if requested.



Myanmar Investment Law

(Law no. 19/2019, June 6, 2019)

Law amending the Myanmar Investment Law

Key amendment made on Section – 2 (d) changes on name of respective Ministry

2016 Provision	2019 Amendment
Ministry means the Ministry of Planning and Finance of the Union Government.	Ministry means the Ministry of Investment and Foreign Economic Relations.



Tax Administrative Law

(Law no. 20/2019, June 7, 2019)

Tax Administrative Law

- ▶ Effective on **October 1, 2019**
- ▶ The new Tax Administration Law was enacted on June 7, 2019, and it governs the collection of all types of tax, including income tax, commercial tax, and special goods tax. An overview of the most notable provisions under this new law can be found below.

- **Taxpayer ID**

Each taxpayer will be provided with one taxpayer ID number, which is intended to be used for the collection of all forms of tax.

- **Obligation to keep records**

Taxpayers are obliged to keep the tax reference data used to make entries in books and accounts for a period of seven years.

Tax Administrative Law

■ Tax officers given wide powers of search and seizure

During working hours, tax officers have wide powers to search business premises without notice and seize any appropriate document. With the approval of a township court judge, tax officers can also enter homes to search for and seize documents.

■ New administrative appeal system created

The new law creates a new administrative appeal system whereby a taxpayer—unsatisfied with an assessment or decision—may apply to the Director General of the Internal Revenue Department for a review of such assessment or decision. In addition, a further appeal is made available if the taxpayer is not satisfied with the decision of the first appeal.

Tax Administrative Law

■ Interest charged on late tax payments

The revenue department is permitted to charge interest on late tax payments at rates specified in Ministry notifications. In addition, the revenue department is obliged to pay interest on any tax refunds.

■ Fines and penalties under the new law

The new law provides a range of fines: a fine of 10 percent of payable tax for failure to notify the Director General of a change in business address or for late payment of tax, a fine of 5 percent of payable tax for late submission of a return, and a fine of 1 percent of payable tax for each month, or part of a month, the return continues to not be submitted.



Child Rights Law

(Law no. 22/2019, July 26, 2019)

Child Rights Law

- ▶ Child means a minor person who has not attained the age of 18.
- ▶ The responsible authority is **Ministry of Social Welfare, Relief and Resettlement (MOSRR)**.
- ▶ The Ministry must establish youth restoration training centers and temporary care shelters.
- ▶ Government department and organizations, CSOs and NGOs can establish voluntary homes/centers and temporary care shelters.

Child Rights Law

Adoption

- ▶ A Myanmar Citizen can adopt a child.
- ▶ Under this law, the appointed social welfare authorities must register the adoption.
- ▶ A Myanmar Citizen can adopt children for whom their parents cannot care, children who have been separated, and children which the Ministry has designated.



Union Tax Law 2019/2020

(Law no. 30/2019, 26 Sep 2019)

Personal Income Tax

Description		Tax Rate 2019 - 2020 (From 1 October 2019)
Personal income tax rates for remuneration received for resident local, foreigner		Progressive rate ranging from 0-25%
From (Kyat)	To (Kyat)	
1	2,000,000	0%
2,000,001	5,000,000	5%
5,000,001	10,000,000	10%
10,000,001	20,000,000	15%
20,000,001	30,000,000	20%
30,000,001 and above		25%
Rate for salary income of non-resident foreigner		0 - 25% (no relief exempted)
Rate for salary income of non-resident citizen		0 %
Rate for non-resident citizen on other income		10%
Tax deductions and reliefs		Basic allowance 20% but shall not exceed MMK 10,000,000 Parent – MMK 1,000,000 Spouse – MMK 1,000,000 Children – MMK 500,000

Corporate Income Tax

Description of income	Tax Rate (%) 2014	Tax Rate (%) 2017	Tax Rate (%) 2019/2020
A Company registered and incorporated in Myanmar	25%	25%	25%
Non-resident foreigner	35%	25%	25%
A company which under the permission of MIC after incentive period	-	Specifically provided at 25%	Specifically provided at 25%
Exemption of newly established small and medium enterprises	Exempt from corporate income tax if income does not exceed MMK 5,000,000 for 3 years in a row	Exempt from Corporate Income Tax if income does not exceed MMK 10,000,000 for 3 years in a row	Exempt from Corporate Income Tax if income does not exceed MMK 10,000,000 for 3 years in a row

Treasure Tax

- ▶ According to Section 38 of the Myanmar Gemstone Law, the treasure tax with specified tax rates must be charged on rough gems, finished gems, jewelry or things made with gems. The collected treasure tax must be paid to the relevant bank account of the Internal Revenue Department:
 - (a) on actual price if selling the gems, on sale value specified by Myanmar Gemstone Enterprise based on actual sell price, or whichever is higher; or
 - (b) on the landed cost if the gems are imported;

Sr. No.	Type of Gemstone	Tax Rate
1	Crude jade	11%
2	Ruby, sapphire and other crude precious gemstones except diamond and emerald	9%
3	Finished jade, ruby, sapphire and other finished precious gemstones except diamond and emerald; jade, ruby, sapphire and other finished jewelries made with precious gemstones except diamond and emerald	5%
4	Things made with gemstone	5%

The income escaped from the assessment

- ▶ If any citizen can show the source of income used for buying, constructing and acquiring any assets, and establishing a new start-up or expanding a business, the income tax must be levied according to the specified tax rates on the remaining income escaped from the assessment.
- ▶ If it is **unable to show the source of income**, the income tax must be charged on the income used. No income tax must be levied if the source of income is able to show for all the income used.
- ▶ The levy according to this section must not apply to the possession or trade of properties obtained illegally or matters in which action is taken by the Anti-Money Laundering Law.

The income escaped from the assessment

Changes to Tax Rates on incomes escaped from assessment

2018-2019		2019-2020	
1 – 30,000,000	15%	1 - 100,000,000	3%
30,000,001- 100,000,000	20%	100,000,001 – 300,000,000	5%
100,000,001 and above	30%	300,000,001 – 1,000,000,000	10%
		1,000,000,001 –3,000,000,000	15%
		3,000,000,001 and above	30%

The income escaped from the assessment

- ▶ The income escaped from the assessment included in the table means the income which escaped from the assessment before October 1, 2019.
- ▶ The relief rate of tax included in table must be effective starting October 1, 2019 to September 30, 2020.

Advance Corporate Income Tax

- ▶ Under Section 15 (a) of the Income Tax Law
 - ✓ whoever has a total income or capital gains chargeable to tax in a year shall be liable to pay income tax at the time of receiving that income.
- ▶ Under Section 16-A of Income Tax Law
 - ✓ Income tax payable under section 15 shall be the tax due as computed on the estimated total income of that year.
 - ✓ The tax shall be paid **quarterly**.
 - ✓ The tax shall be paid within 10 days in the prescribed manner by starting from the end date of the respective quarter.



Law Amending the Stamp Act

(Law no. 32/2019, November 26, 2019)

Law amending the Stamp Act

1899 Provisions	2019 Amendment
<p>35.(a), together with a penalty of five hundred kyat, or, when <u>ten times</u> the amount of the proper duty or deficient portion thereof exceeds five hundred kyat , of a sum equal to ten times such duty or portion;</p>	<p>35.(a), together with a penalty of five hundred Kyats, or, when three times the amount of the proper duty or deficient portion thereof exceeds five hundred Kyats, of a sum equal to three times such duty or portion;</p>
<p>40.(1)(b), together with a penalty of five hundred kyat; or, if he thinks fit, an amount not exceeding <u>ten times</u> the amount of the proper duty or of the deficient portion thereof, whether such amount exceeds or falls short of five hundred kyat :</p>	<p>40.(1)(b) together with a penalty of five hundred Kyats; or, if he thinks fit, an amount not exceeding three times the amount of the proper duty or of the deficient portion thereof, whether such amount exceeds or falls short of five hundred Kyats;</p>



The Law of Protection from Increased Import Volume

(Law no. 35/2019, December 24, 2019)

The Law of Protection from Increased Import Volume

- ▶ This is a first enacted law that is like the Anti-Dumping Law in Myanmar.
 - **Increased Import Volume** - "the increased amount of any imported product either relative to or not relative to domestic manufacturing of the like or directly competitive products"
 - **Safeguard measures** - "to be adopted to protect and remedy in case severe damages or threats of such damages occur on the businesses of domestic manufacturers of those like or directly competitive products due to the rise of imported products volume. That expression shall also include imposing provisional safeguard duty, imposing safeguard duty or limiting import volume."
 - **Like products** - "locally produced products which have almost identical features or closely similar features with investigated products"
 - **Directly competitive products** - "locally produced products whose chemical compositions, and other physical or technical features are different from investigated products but which can be substituted with one another either by the purpose of uses or by commercial competition in the market"
 - **Products under investigation** - "imported products which are under investigation according to this Law"

The Law of Protection from Increased Import Volume

- ▶ If there is preliminary finding that domestic manufacturers suffer critical business standing, the Committee may
 - Decide to impose provisional safeguard duty.
 - Impose provisional safeguard duty up to a maximum of 200 days.
- ▶ If there is increased import volume and severe damages or threats of such damages due to such increase, the Committee may exercise the following measures
 - Impose safeguard duty,
 - Limit import volume.
- ▶ The Committee will impose safeguard measures to the extent required for businesses of domestic manufacturers to be prepared for, protected from, and recover from their damages

The Law of Protection from Increased Import Volume

- ▶ Can specify quotas of import volume for each country if the products under investigation are exported from more than one country
- ▶ The period of initial adoption of safeguard measures on any product must be up to a maximum of four years
- ▶ The maximum period to adopt safeguard measures, including the initial adoption and extension period, must be ten years
- ▶ If safeguard measures are to be reapplied to the products, these measures will be taken at least two years since the expiry of the previous measures



Insolvency Law

(Law no. 1/2020, 14 Feb 2020)

Insolvency Law

- ▶ Repealed The Yangon Insolvency Act 1909 and The Myanmar Insolvency Act 1920
- ▶ Transition from outdated century-old acts
- ▶ Effective as of March 25, 2020
- ▶ Developed to encourage a greater availability of credit and provide a more effective means of handling financial distress and failure
- ▶ Provided both corporate and personal insolvency, including specific provisions for MSMEs (Micro, Small and Medium Enterprises)
- ▶ Introduced cross-border insolvency and included adoption of the model law as a means of encouraging foreign investment and facilitating international insolvencies
- ▶ Model Law - Law on Cross-Border Insolvency of the United Nations Commission on International Trade Law, set out in the Annex to United Nations General Assembly Resolution A/RES/52/158 (1997)

Insolvency Law

- ▶ Company rescue and rehabilitation
- ▶ The Rescue Stage
 - During which options for rehabilitation are explored and a decision on the future of the company is made by creditors
- ▶ The Plan Stage
 - If creditors resolve to approve a rehabilitation plan, during which the plan is implemented
- ▶ Appointment of a rehabilitation manager

Insolvency Law

- ▶ MSME Insolvency
 - In relation to an incorporated MSME, winding up
 - In relation to the proprietor or proprietors of an unincorporated MSME, bankruptcy
- ▶ MSME Rescue Stage
 - During which options for rehabilitation are explored and a decision on the future of the MSME is made by creditors
- ▶ MSME Plan Stage
 - If creditors resolve to approve a MSME rehabilitation plan, during which the plan is implemented

Insolvency Law

- ▶ Winding up applies to
 - ❑ A company registered under the Myanmar Companies Law,
 - ❑ A body corporate registered under section 3 of the Myanmar Companies Law, and
 - ❑ A body corporate to which division on Winding up of Unregistered Companies applies.

- ▶ The winding up of a company registered under the Myanmar Companies Law may be either:
 - voluntary; or
 - by the Court

Insolvency Law

▶ Corporate Insolvency

- ❑ A company is presumed insolvent if:
 - a creditor, to whom the company is indebted in a sum exceeding **1,000,000 MMK**, has served the company, by leaving it at the company's registered office, a written demand in the form prescribed by Form-9, requiring the company to pay the sum so due and the company has for 21 days afterwards neglected to pay the sum or to secure or compound for it to the reasonable satisfaction of the creditor; or
 - a creditor submits to the Court that an execution or other process issued on a judgment, decree or order of any Court in favor of a creditor of the company is returned unsatisfied in whole or in part.
- ❑ An application to the Court for the winding up of a company based on insolvency must be presented by a director or directors, or a creditor of a company. The Court will then decide to appoint a liquidator and proceed with the outstanding debts to be paid to the creditors accordingly.

Insolvency Law

▶ **Personal Insolvency**

A petition for a bankruptcy order to be made against a natural person may be presented to the Court by

- one of the person's creditors or jointly by more than one of them, or
- the person him or herself.

▶ A bankruptcy petition must not be presented to the Court unless the debtor

- is domiciled in the Union,
- is personally present in the Union on the day on which the petition is presented, or
- at any time in the period of three years ending with that day, has been ordinarily resident or has had a place of residence in the Union, or has carried on business in the Union.

▶ A debtor carrying on business includes

- a firm or partnership of which the debtor is a member, and
- an agent or manager for the debtor or for such a firm or partnership.

Insolvency Law

▶ Criteria on Personal Insolvency

1. The amount of debt or the aggregate amount of debts is equal to or exceeds **1,000,000 MMK**;
2. The debt or each of the debts is for a liquidated sum payable to the petitioning creditor or one or more of the petitioning creditors, either immediately or at some certain future of time;
3. The debt, or each of the debts, must be unsecured, unless the provisions of “creditor with security” applies;
4. The debt or each of the debts, is a debt which the debtor is unable to pay or appears to have no reasonable prospect of being able to pay; and
5. There is no outstanding application to set aside a bankruptcy notice served by other creditors regarding the debt or any of the debts.

Insolvency Law

▶ **Cross-border insolvency**

- The Supreme Court of the Union or a court otherwise designated by the Supreme Court of the Union is taken to be the competent court to perform the functions related to the recognition of foreign proceedings and cooperation with foreign courts
 - A foreign representative may only apply directly to a court competent to hear direct applications
 - The competent court can reject the application subject to public policy
- ▶ Provisions of this part of cross-border insolvency do not apply to a proceeding on banks, financial institutions, insurance businesses, and any other matters related to businesses and institutions that the President may occasionally determine by notification
- ▶ This cross-border insolvency practices will come into force when President of Myanmar issues a specific order



Amending the Farm Law

(Law no. 2/2020, 14 Feb 2020)

Amending the Farm Law

- ▶ Made many major amendment on farm land concession Notable amendment for investors

Previous Provision	Amendment
The person who has the right to use the farm land shall not sell, mortgage, lease, exchange or gift on the whole or part of the right to use the farmland without permission of the Government to any foreigner or any organization in which the foreigner is included.	No person shall not sell, mortgage, lease, exchange or gift on the whole or part of the right to use the farmland without permission of the Union Government to any foreigner or any organization in which the foreigner is included.



Industrial Zone Law

(Law no. 7/2020, 26 May 2020)

Industrial Zone Law

▶ Special Economic Zone Law 2014

- Administer special economic zones (SEZs) of Myanmar
- Thilawa Special Economic Zone – developed and operational
- Kyauk Phyu Special Economic Zone – under developing, nonoperational yet
- Dawei Special Economic Zone – under negotiation

▶ Industrial Zone Law 2020

- Very first uniform law to administer all industrial zones in Myanmar except SEZs
- Previously, the Union Government's approval has established, and the regional government has administered industrial zones in Myanmar
- No dedicated law to administer the industrial zones before the enactment of this Industrial Zone Law
- Industries and Industrial Zone Development Central Committee, Industrial Zone Implementation and Supervision Regional Committee, and Industrial Zone Management Committee can be established under this law
- The responsible ministry is the Ministry of Planning, Finance and Industry
- The law provided no provision of enforcement date, so we can assume immediate effect

Industrial Zone Law

- ▶ An industrial zone shall consist of
 - Industrial Area – 60 to 70 percent,
 - Commercial Area – 1 to 5 percent,
 - Public Utilities and Assistant Area – 20 to 25 percent, and
 - Green Belt – 9 to 10 percent.
- ▶ Existing industrial zones will be categorized again with their types and rating
- ▶ Land lease fees and land utilization fees may be set by the Central Committee in order to compete with other countries
- ▶ The Investor or Developer must pay 10 percent annually of the market price of land as a penalty if they cannot complete the project within the proposed period, and their land permit must be revoked if they cannot pay the penalty.
- ▶ Investors can get 50 years of land lease and the term can be extended twice for ten consecutive years

Industrial Zone Law

- ▶ Investors can invest on
 - Manufacturing of finished goods, processing of related goods, manufacturing of packing and value-added goods,
 - Transportation and distribution of finished goods and raw materials, road maintenance and road upgrading businesses,
 - Other service business related to invested businesses, and
 - Trading of goods that manufactured by investment.

- ▶ Investors must inform the respective authority and the Management Committee on the commencement, closure and liquidation of businesses

- ▶ Investors must inform the respective authority and the Management Committee on the transfer of shares of businesses, companies, or entities

- ▶ Investors must inform the Management Committee on their appointment of foreign and local employees

- ▶ Investors must not operate other businesses except their permitted businesses according to the type of industrial zone



Lift-off of Liquor Import Ban

(Notification no. 38/2020 and 39/2020 of Ministry of Commerce, May 25, 2020)

Lift-off of Liquor Import Ban

▶ **Notification 38/2020**

- Amendment Notification on the list of goods banned for importation
- Removed liquor from the import ban list
- Repealed Notification 8/2013 of Ministry of Commerce issued on February 4, 2013 that had banned the import of liquor, beer and cigarettes

▶ **Prohibit** from being imported according to the Export and Import of Goods Law

(a) beer,

(b) cigarettes, and

(c) other goods that will be allowed and restricted under the Laws.

Lift-off of Liquor Import Ban

▶ Notification 39/2020

- Procedures and requirements for the import of liquor

▶ Notification 39/2020

- The liquor importer must be a Myanmar Company registered under the Myanmar Companies Law
- Must have an exporter/importer registration certificate
- Must have a director who possess wholesale license of foreign liquor (FL-11)
- Must have exclusive distributorship or exclusive dealership from one or more foreign liquor manufacturers
- Must have premises for sale/distribution or a licensed warehouse permitted by the relevant District General Administration Department
- Must import the liquor via Yangon Port and Yangon Airport
- Landing cost of one liter of liquor must be at least USD 8
- Import of liquor for duty free shops and hotels must follow specific procedures issued by the Ministry of Commerce

Lift-off of Liquor Import Ban

- ▶ **Notification 39/2020 - Objectives are as follows:**
 - (a) Sale on the quality products;
 - (b) Control of illegal importation;
 - (c) Tax collection; and
 - (d) Supply to fulfill local market needs.

Offices



- Cambodia – Phnom Penh
- Indonesia – Jakarta
- Laos – Vientiane
- **Myanmar – Yangon**
- Thailand – Bangkok
- Vietnam – Hanoi, Ho Chi Minh City



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