



# LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

## NEWSLETTER 5 - 11 JULY 2016

**Dear Readers,**

Welcome to a new edition of our newsletter.

The Ministry of Commerce issued a notification on 7 July 2016 **allowing Myanmar/foreign joint ventures to import and sell “construction materials”**. Although there may presently not be so much demand - given that the Yangon Region government has shut down the construction of high-rise buildings -, the notification marks a welcome liberalization of the Ministry’s otherwise restrictive policy of disallowing foreign-invested companies to trade. We will, however, have to wait and see how the notification will work out in practice as it is quite vague - it implies, for instance, that there should be a minimum local shareholding, but does not specify the percentage.

Please find a translation of the notification inside the newsletter.

The **MIC is operational again** and so far has given out 19 investment permits.

More than 80 participants attended our debt collection seminar last Thursday. We are presently preparing a summary which we will post in the newsletter once it is ready. **Our next seminar is on land law and stamp duty. It will take place on 4 August; please find the invitation inside the newsletter.**

Please welcome **U Lynn Shein**, a Higher Grade Pleader who joined our firm on 1 July 2016.

We still haven’t got a homepage, but are now on Facebook: <http://tinyurl.com/zgrpd42>

We are **looking to expand our office** and are in search of an **enterprising foreign lawyer wishing to join as a partner**. The ideal candidate has a bit of a business case of his own in Myanmar and either (i) speaks Korean or Chinese or (ii) has a track record of advising companies in the oil and gas sector and the electricity sector.

Two clients of ours are **looking for a buyer of (i) an excavator and (ii) insecticides** (Abamectin and Cypermethrin). Please contact us if you happen to be in need of either of the above.

We trust that you will find this newsletter useful and hope that you will enjoy reading it.

Sebastian Pawlita  
Managing Director

Nyein Chan Zaw  
Director



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### Press review (28 June - 11 July 2016)

- Government plans 700 acres economic zone in the north of Yangon: <http://tinyurl.com/gq6kbnd>
- Construction materials trade opened to local/foreign joint ventures: <http://tinyurl.com/hda15c5>  
(see the translation of the notification inside this newsletter)
- YCDC accepts building applications again, but...: <http://tinyurl.com/hos9c2n>
- First high-rise buildings inspection results to be released to developers in the next few days: <http://tinyurl.com/hnu3rzt>
- Automatic cargo clearance system to see trial run next month: <http://tinyurl.com/jmmkk75>
- Farmers fight to be allowed to mortgage their land: <http://tinyurl.com/zijl29r>
- Government to rent out factories to local and foreign investors: <http://tinyurl.com/j83w2pq>
- New joint venture to bring order to Yangon bus chaos: <http://tinyurl.com/jkoex42>
- DCA drawing up new air transport policy: <http://tinyurl.com/jsobmnk>
- Foreign trade rises: <http://tinyurl.com/gsa3yfa>
- MIC to remain under ministry control: <http://tinyurl.com/jzrslcm>
- Government allows timber imports to save Myanmar forests: <http://tinyurl.com/hqq94gh>
- Central Bank turns to electronic data processing: <http://tinyurl.com/h8mkyvg>
- Cathay United Bank from Taiwan looking to get onshore banking license by offering to fund green energy projects: <http://tinyurl.com/hx3wwhe>
- Reorganized MIC grants eight licenses: <http://tinyurl.com/h5zuoz3> (by now, the MIC has granted 19 investment permits)
- Ministry of Commerce to exempt 250 goods from import license requirement: <http://tinyurl.com/hgptwhb>



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## SEMINAR INVITATION:

### LAND LAW IN MYANMAR (AS AN ASIDE: STAMP DUTY)

Date and time	Thursday, 4 August 2016, 2:30pm - 4:00pm
Place	Sule Shangri-La, 223 Sule Pagoda Road, Yangon
Topics	<ul style="list-style-type: none"><li>▪ The different types of land and their uses</li><li>▪ How to register lease agreements</li><li>▪ How to use farmland for other purposes</li><li>▪ Frequent issues in land due diligences</li><li>▪ Complicated stuff: Leasing land from the government</li><li>▪ Complicated stuff (II): Splitting the floor space between the owner and the construction company</li><li>▪ Stamp duty</li></ul>
Speakers	<ul style="list-style-type: none"><li>▪ Sebastian Pawlita</li><li>▪ U Nyein Chan Zaw</li></ul>
Language	English
Fee	The event is free of charge.
Registration	Please register by sending an e-mail to <a href="mailto:sebastian@lincolnmyanmar.com">sebastian@lincolnmyanmar.com</a> or <a href="mailto:nyeinchanzaw@lincolnmyanmar.com">nyeinchanzaw@lincolnmyanmar.com</a> , stating the name of your company and the names of the participants.



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## Ministry of Commerce Notification 56/2016 permitting joint venture companies to trade construction materials

- Convenience translation: Accuracy not guaranteed -

The Republic of the Union of Myanmar

Ministry of Commerce and Trade

Minister's Office

Notification no. 56/2016

7<sup>th</sup> July, 2016

The Ministry of Commerce and Trade, the Republic of the Union of Myanmar, hereby releases this notification no. 56/2016 according to the power conferred by the Export/Import Law, section 13, sub-section (B).

### Permission for joint venture companies to trade in construction materials

1. The Ministry of Commerce and Trade now grants permission to joint venture companies to trade in construction materials [*Translator's note: "Construction materials" comprises both building materials and construction equipment such as machines.*] because of international trading procedures, the rules of the World Trade Organization, increasing numbers of interested foreign investors due to the current changing economic situation and in order make it possible to use construction materials of better quality.
2. Joint venture companies which are trading in construction materials shall fulfill the following conditions-
  - (a) The JV company shall be a company with permission to trade.
  - (b) May only be allowed on the basis of the equity ratio allowed during company registration. [*Translator's note: This probably means that there must be a minimum local shareholding; however, the percentage is not specified in this notification.*]
  - (c) Joint venture companies shall only trade using foreign currencies officially brought into the country. [*Translator's note: This means that the trading company must use, for purchasing the construction materials, money transferred to Myanmar by wire transfer or declared at customs.*]
  - (d) The joint venture company can perform the sale of construction materials as retail or wholesale.



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- (e) The company shall submit a bank statement together with form 6/26 issued by the Directorate of Investment and Company Administration when applying for the importer/exporter registration certificate.
  - (f) The imported construction materials shall comply with the quality standards issued by the relevant departments.
3. With respect to the trading of construction materials by joint venture companies, the same principles and rules shall apply, and shall be allowed, as those that apply to local companies.
  4. The lists of the goods which are allowed to be traded will be changed and fixed according to the needs of the country, the market and the situation of local businesses.

Dr. Than Myint  
Union Minister

The Republic of the Union of Myanmar

*[Distribution list: omitted]*



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## CONTACT

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**Homepage: Coming soon...**



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