

NEWSLETTER 14 - 6 December 2016

Dear Readers,

Welcome to a new edition of our newsletter.

1. Car import policy

The Supervisory Committee for the Import of Vehicles announced its **new vehicle import policy** on 30 November 2016. Please find a **translation of the notification in our newsletter**.

Starting 1st January 2017, **only cars built since 2015 with left-hand drive are allowed to be imported for personal use**, save imports under a "clunker" programme by which an older vehicle is exchanged for a newer one.

While the import restrictions are evidently aimed at avoiding further traffic congestion in Yangon, car dealers have voiced skepticism as imports in the entire country - not only Yangon - are covered, and the right-hand drive ban will keep highly reliable second-hand Japanese cars out to the profit of less reliable Chinese and Korean cars (<u>http://tinyurl.com/hdukuwp</u>).

2. New visa rules

The Ministry of Labour, Immigration and Population announced, on 2nd December 2016, **new visa rules** which are to be in effect from 1st December 2016 (no joke). Please find a translation in the newsletter.

On a welcome note, **multiple-entry visas are now officially re-introduced**, and the necessity to leave the country every 70 days has been abolished. On an unwelcome note, however, visa fees in many cases have doubled.

In a related context: On 3rd and 4th December 2016, state-owned Kyemon published a "**Foreigners' Bill**" which pertains - unsurprisingly - to the registration of foreigners and will, once enacted, remove several pieces of legislation from the 1940s. We are presently translating the bill and will upload the translation to our homepage when ready.

3. Other pieces of legislation

An amendment to the Village Tract Law has **removed the obligation to report overnight guests to the authorities** (<u>http://tinyurl.com/znfz2ah</u>).

Kyemon published a "**Statistics Bill**" in installments from 20th to 22nd November 2016. The bill (not yet enacted) contains certain obligations on the part of businesses to provide data if so



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requested. We are presently translating the relevant parts and will upload the translation to our homepage when ready.

By notification 75/2016 dated 22nd November 2016, the Ministry of Commerce **removed the portion that required joint venture companies "to use only foreign currency that they brought into the country legally"** from notification 96/2015 (which allows foreign/Myanmar joint venture companies to import and trade fertilizers, seeds, pesticides and hospital equipment) and notification 56/2016 (which allows joint venture companies to import and trade in construction materials). Notification 20/2015 (which allows foreign/Myanmar joint ventures to import and trade brand-new cars) never contained such a restriction. The practical relevance of the removal is minimal.

From 4th to 6th December 2016, Kyemon published an "**Extradition Bill**" which will, once enacted, remove the 1904 Burma Extradition Act.

4. American sanctions

The United States lifted its Myanmar-specific sanctions programme on 7 October 2016, but **certain Myanmar nationals are still targeted under other programmes**, more precisely under anti-narcotics ("SDNTK") and anti-North Korea ("DPRK2") schemes. OFAC's search engine (<u>http://tinyurl.com/gqxlt2v</u>) still **lists 33 individuals and entities linked to Myanmar**.

Furthermore, there is still an arms embargo under the International Traffic in Arms Regulations (ITAR). The Financial Crimes Enforcement Network (FinCEN) still considers Myanmar to be a jurisdiction of primary money-laundering concern, requiring financial institutions entering into correspondent relationships with Myanmar banks to have enhanced due diligence processes in place.

Additionally, not all members of the Myanmar military or rebel groups may find it easy to obtain a US visa, although they may not be officially targeted.

That said - it is not exactly likely to come across Myanmar nationals and Myanmar-owned entities that are subject to US sanctions nowadays. The two "DPRK2" entries in the SDN list e.g. consist in two Korean names, that of the North Korean ambassador in Myanmar and that of the representative of the North Korea's primary arms dealer.

Nevertheless, it is still necessary to do a **certain amount of background checks** on your Myanmar business partners as e.g. also a company with a name as innocent as "Yangon Airways" is listed; it is (allegedly) owned by (allegedly) drug-trafficking members of the United Wa State Army.



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If you had **business ties to cronies while they were still under sanctions**, it is **not wise to make this known**. **Past violations** of the US sanctions programme **are not healed** by the fact that the sanctions are now lifted. **If you are not a US person** (and therefore theoretically not bound by US sanctions), **you may still wish to keep quiet about objectionable** (from a US perspective) **relationships** as OFAC may make you regret them, even if you did nothing wrong according to the law of your home jurisdiction (see e.g. here: <u>http://tinyurl.com/hmb52ew</u> - text in German).

Why are we writing all this? Because it has recently come to light that companies like Apple, Starbucks, Tiffany's and Generally Electric seem to have, deep down their supply chain, ties to a United Wa State Army-controlled tin mine (<u>http://tinyurl.com/jxbcm7w</u>). The problem may soon be moot as the mine appears to be running out of ore (<u>http://tinyurl.com/ji4ykdr</u>), but the story illustrates how important (and difficult) it is to keep track of your supply chain, and how US sanctions complicate things.

5. Market access and tenders

(a) Myanmar to open up to foreign insurance companies in 2017: <u>http://tinyurl.com/z57pvps</u>

This is already an older article, and we have had similar announcements in the past. This time, however, the government really seems to be committed to allow foreign insurance companies in. We expect that only those companies with a rep office in a country will be allowed to apply for a license.

(b) Joint venture to operate an oil refinery: The tender notice is not out yet, but MPPE seems to be in the process of preparing a tender to invite potential joint venture partners to operate an oil refinery.

6. New colleague

Please warmly welcome Mr. Thein Maung to our firm. After studying law and social science at undergraduate and post-graduate levels in Yangon, Mandalay and Taunggyi, Mr. Thein Maung trained with a local law office in Yangon. Apart from assisting us with general corporate work, Thein Maung – being a native Mandarin and excellent English speaker – helps us with translations.



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7. Seminar: Myanmar's legal and tax framework

There are still places available for our seminar on **Myanmar's legal and tax framework on 15th December 2016**. You are cordially invited. Please find the seminar announcement inside the newsletter.

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 (29 November - 6 December 2016)

- Vietnamese president pledges to encourage investments in Myanmar: <u>http://tinyurl.com/gnsol9e</u>
- Off-grid solar to help Myanmar bring electricity to all by 2030: <u>http://tinyurl.com/zecc528</u>
- Auto industry angry over right-hand drive import restriction: <u>http://tinyurl.com/hdukuwp</u>
- Philippines to (finally) import rice from Myanmar?: <u>http://tinyurl.com/jetborb</u>
- Yangon government considers ending industrial zone bridge tolls: <u>http://tinyurl.com/j64nb53</u>
- Central Bank to reform daily dollar auction system in an attempt to address the weakening kyat: <u>http://tinyurl.com/h3jmevt</u>
- Japanese MFI starts social loans expansion: <u>http://tinyurl.com/hbseubo</u>
- Government to improve certificates of origin for timber: <u>http://tinyurl.com/h8ox2e6</u>
- Bank staffers accused of swindling Ks. 2 billion: <u>http://tinyurl.com/jl9lpeq</u>
- Myanmar and Malaysia seek to mend frosty relations: <u>http://tinyurl.com/za9nzk5</u>
- Myanmar to overtake Singapore economically in 20 years? Daw Aung San Suu Kyi hopes so: <u>http://tinyurl.com/jverz6k</u>



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Supervisory Committee for the Import of Vehicles and Related Business Notification No. 1/2016

- CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED -

Supervisory Committee for the Import of Vehicles and Related Business Notification 1/2017 (First Waxin Day of Hnatt Taw 1378) (30 November 2016)

With the consent of the Union Government, the Supervisory Committee for the Import of Vehicles and Related Business issues this notification in order to restrict the import of vehicles in 2017 with regard to the production year.

Notification for the restriction of the import of vehicles in 2017 with regard to the production year

- 1. The Supervisory Committee for the Import of Vehicles and Related Business sets the production year for the import of vehicles in 2017 as follows:
 - (a) Plan for the replacement of old/used vehicles (including consignment system)
 - (1) Passenger cars: From 2011 to 2014
 - (2) Passenger cars up to 1350cc: From 2011 to 2017 (only the import of left-hand drive vehicles is allowed for production years from 2015 to 2017)
 - (3) Vehicles for the transport of goods: From 2007 to 2014
 - (4) Vehicles for passenger transport: From 2007 to 2014
 - (b) Plan for individuals
 - (1) Passenger cars (including vehicles up to 1350cc): From 2015 to 2017 (only lefthand drive)
 - (2) Vehicles for the transport of goods: From 2007 to 2017
 - (3) Overland buses: From 2012 to 2017 (only left-hand drive)
 - (4) Vehicles for the transport of passengers (mini bus, city bus): From 2007 to 2017 (only left-hand drive)



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- (c) Application for vehicle import with an ordinary license (application for a permit for vehicles donated from abroad under the FOC system)
 - (1) Passenger cars: From 2015 to 2017 (only left-hand drive)
 - (2) Utility vehicles: From 2007 to 2017
 - (3) Fire engines: From 2001 to 2017
 - (4) Ambulance vehicles: From 2001 to 2017
 - (5) Hearses: From 2001 to 2017
 - (6) Vehicles for religious purposes: From 2007 to 2017
 - (7) Overland buses: From 2012 to 2017 (only left-hand drive)
 - (8) Vehicles for the transport of passengers (mini bus, city bus): From 2007 to 2017 (only left-hand drive)
- (d) Application for vehicle import by government departments:
 - (1) Passenger cars: From 2015 to 2017 (only left-hand drive)
 - (2) Commercial vehicles, vehicles for the transport of passengers, vehicles for the transport of goods and/or utility vehicles: From 2007 to 2017
- Remark: (a) An application for the import of fire engines and ambulance vehicles donated to the country will only be accepted if the model year is 2000 or above.
 - (b) 16 types of vehicles which are not driven on public roads (excavator, bulldozer, wheel loader, vibratory roller, motor grader, road roller, compactor, bridge crane, gantry crane, tower crane, pilling machine, crawler drill/crane, overhead travelling crane, mobile crane, rough-terrain crane, forklift) may be imported if they were produced within the last 20 years.
 - (c) The purchase by international organizations and international nongovernmental organizations from sales centres and exhibition halls will be allowed according to the terms and conditions of the above paragraph 1 (a) and (b)



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.(d) From January 1st, 2017, the import of passenger cars, vehicles for the transport of goods and vehicles for the transport of passengers that were produced in the same year or within the last two years will only be allowed if they are left-hand drive.

(Signature)

Dr. Than Myint Chairman Supervisory Committee for the Import of Vehicles and Related Business

Distribution list: [omitted]



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Ministry of Labour, Immigration and Population Announcement Concerning New Visa Rules

- CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED -

Amendments of the terms and conditions for visa applications broken down according to the visa categories.

In order to enable foreigners to conveniently apply for a visa under the currently permitted new 12 visa categories for Myanmar, the following amendments of the terms and conditions for visa applications will start to be implemented on 1st December 2016.

No.	Types of Visa	Amendments of the visa fees	Amendments of the terms and conditions
		and the period of stay	for a visa application
1.	Gratis diplomatic/official courtesy visa	 Visa fee: Free Period of stay: The duration of duty 	 Order, of the home country, assigning the person as a diplomat/member of a diplomatic mission to Myanmar Assignment of duty or invitation by the ministry concerned
2.	Tourist visa	Visa fee: 40 USDPeriod of stay: 28 days	Vacation, visit and temporary stay onlySubmit return air ticket
3.	Business visa (single)	 Visa fee: 50 USD Period of stay: 70 days If the person desires to continue the period of stay, extension is permitted if done according to the procedures. 	 The applicant shall submit and describe what business he/she will do or what business he/she has been doing.
	Business visa (multiple)	 Visa fee: 200 USD Permitted period: 3 months Allowed to stay and enter multiple times. If the person desires to continue the period of stay, extension is permitted if done according to the procedures. No need to leave after the 	 To fulfill the terms and conditions for a single-entry business visa and the following: (1) The applicant must not be a first-time visitor (2) Applicant has to state if he/she wants a three months, six months or one year visa (3) Applicant must provide strong reasons for wishing to enter multiple times, e.g. his/her own business



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	Social visa (single)	 allowed 70 days Visa fee: 400 USD Permitted period: 6 months Allowed to stay and enter multiple times. If the person desires to continue the period of stay, extension is permitted if done according to the procedures. No need to leave after the allowed 70 days Visa fee: 600 USD Permitted period: 1 year Allowed to stay and enter multiple times. If the person desires to continue the period of stay, extension is permitted if done according to the procedures. No need to leave after the allowed 70 days 	(1) If the perceptic of former Muonmar
4	Social visa (single)	 Visa fee: 50 USD Period of stay: 70 days If the person desires to continue the period of stay, extension is permitted if done according to the procedures. 	 If the person is a former Myanmar citizen: evidence to this effect; address of his/her relatives If the person is a foreigner and related to a Myanmar citizen: evidence as to how they are related and why the person wants to meet the Myanmar citizen; the Myanmar citizen's address



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Social visa	- Visa fee: 150 USD	To fulfill the terms and conditions of a
(multiple)	- Permitted period: 3	single-entry social visa and the following:
	months	(1) The applicant must not be a first-
	- Allowed to stay and enter	time visitor
	multiple times.	(2) Applicant has to state if he/she
	- If the person desires to	wants a three months, six months or
	continue the period of	one year visa
	stay, extension is	(3) Applicant must provide strong
	permitted if done according to the	reasons for wishing to enter multiple times
	procedures.	times
	- No need to leave after the	
	allowed 70 days	
	- Visa fee: 300 USD	
	- Permitted period: 6	
	months	
	- Allowed to stay and enter	
	multiple times.	
	- If the person desires to	
	continue the period of stay, extension is	
	permitted if done	
	according to the	
	procedures.	
	- No need to leave after the	
	allowed 70 days	
	- Visa fee: 450 USD	
	- Permitted period: 1 year	
	- Allowed to stay and enter	
	multiple times.If the person desires to	
	continue the period of	
	stay, extension is	
	permitted if done	
	according to the	
	procedures.	
	- No need to leave after the	
	allowed 70 days	



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5	Religious visa	- Visa fee: 70 USD	(1) Reason for the religious engagement,
	(single)	- Period of stay: 70 days	with whom and where will the
		- If the person desires to	applicant stay (person, church,
		continue the period of	temple or religious organization)
		stay, extension is	
		permitted if done	
		according to the	
	Deligious vice	procedures.	To fulfill the terms and conditions of a
	Religious visa (multiple)	Visa fee: 150 USDPermitted period: 3	single-entry religious visa and the
	(multiple)	months	following:
		- Allowed to stay and enter	(1) The applicant must not be a first-
		multiple times.	time visitor
		- If the person desires to	(2) Applicant has to state if he/she
		continue the period of	wants a three months, six months or
		stay, extension is	one year visa
		permitted if done	(3) Applicant must provide strong
		according to the	reasons for wishing to enter multiple
		procedures.	times
		- No need to leave after the	
		allowed 70 days	
		- Visa fee: 300 USD	
		- Permitted period: 6	
		months	
		- Allowed to stay and enter	
		multiple times.	
		- If the person desires to	
		continue the period of	
		stay, extension is	
		permitted if done	
		according to the	
		procedures.	
		- No need to leave after the	
		allowed 70 days	
1		- Visa fee: 450 USD	
		- Permitted period: 1 year	
		- Allowed to stay and enter	
1		continue the period of	
		in the person desires to	



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		stay, extension is permitted if done according to the procedures. - No need to leave after the allowed 70 days	
6	Transit visa	Visa fee: 20 SDPeriod of stay: 24 hours	To submit an air ticket for the connecting flight, not a return ticket
7	Official visa (single)	 Visa fee: 50 USD Period of stay: 70 days If the person desires to continue the period of stay, extension is permitted if done according to the procedures. 	 The organization has to be recognized by the UN or the Republic of the Union of Myanmar To state the place of operation, the contents of the operation, undertaking that the operation complies with the laws in force
8	Official visa (multiple)	 Visa fee: 200 USD Permitted period: 3 months Allowed to stay and enter multiple times. If the person desires to continue the period of stay, extension is permitted if done according to the procedures. No need to leave after the allowed 70 days Visa fee: 400 USD Permitted period: 6 months Allowed to stay and enter multiple times. If the person desires to continue the period of stay, extension is permitted if done according to the 	 To fulfill the terms and conditions of a single-entry official visa and the following: (1) The applicant must not be a first-time visitor (2) Applicant has to state if he/she wants a three months, six months or one year visa (3) Applicant must provide strong reasons for wishing to enter multiple times, e.g. the contents of the engagement



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		 procedures. No need to leave after the allowed 70 days Visa fee: 600 USD Permitted period: 1 year Allowed to stay and enter multiple times. If the person desires to continue the period of stay, extension is permitted if done according to the procedures. No need to leave after the allowed 70 days 	
8	Employment visa	 Visa fee: 50 USD Period of stay: 70 days If the person desires to continue the stay, extension is permitted if done according to the procedures 	 To submit an invitation letter or appointment letter from the employer company Foreigners coming to Myanmar on an employment visa must hold an identity card from the Ministry of Labour, Immigration and Population
9	Education visa (single)	 Visa fee: 50 USD Period of stay: 90 days If the person desires to continue the period of stay, extension is permitted if done according to the procedures 	 If the person wants to study, he/she must show evidence of [his/her attendance at] the foreign university or foreign school If the person wants to teach, he/she must show recommendation letter from the Ministry of Education
	Education visa (multiple)	 Visa fee: 200 USD Permitted period: 3 months Allowed to stay and enter multiple times. If the person desires to continue the period of stay, extension is permitted if done according to the 	 To fulfill the terms and conditions of a single-entry education visa and the following: (1) The applicant must not be a first-time visitor (2) Applicant has to state if he/she wants a three months, six months or one year visa (3) Applicant must provide strong reasons for wishing to enter multiple



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				1	
			procedures.		times
		-	No need to leave after the		
			allowed 90 days		
		-	Visa fee: 400 USD		
		-	Permitted period: 6		
			months		
		-	Allowed to stay and enter		
			multiple times.		
		-	If the person desires to		
			continue the period of		
			stay, extension is		
			permitted if done		
			according to the		
			procedures.		
		-	No need to leave after the		
			allowed 90 days		
		-	Visa fee: 600 USD		
		_	Permitted period: 1 year		
		-	Allowed to stay and enter		
			multiple times.		
		-	If the person desires to		
			continue the period of		
			stay, extension is		
			permitted if done		
			according to the		
			procedures.		
		_	No need to leave after the		
			allowed 90 days		
10	Journalist visa	-	Visa fee: 40 USD	(1)	To submit evidence that the
		_	Period of stay: 28 days	(-)	applicant is a journalist or media
					professional in his/her home country
				(2)	To submit media-related reason for
				(~)	entering Myanmar, which person or
					organization will the applicant
					contact, and their address
				(3)	To submit a round-trip air ticket
11	Crew visa (single)	-	Visa fee: 50 USD	(1)	Applicant must have a valid crew
1 11		_	Period of stay: 90 days	(1)	license
		_	If the person desires to	(2)	Applicant must state what he/she
			continue the period of	(2)	will do, which person or organization
			continue the period of		will do, which person or organization



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	stay, extension is he, permitted if done	/she will contact
	according to the procedures	
Crewing		
Crew visa		the terms and conditions of a
(multiple)		ntry crew visa and the following: e applicant must not be a first-
	- Allowed to stay and enter tim	ne visitor
	multiple times. (2) Ap	plicant has to state if he/she
	- If the person desires to wa continue the period of	nts a three months, six months or
	stay, extension is one	e year visa
		plicant must provide strong
	according to the rea	sons for wishing to enter multiple
	procedures. tim	ies
	- No need to leave after the	
	allowed 90 days	
	- Visa fee: 400 USD	
	- Permitted period: 6	
	months	
	- Allowed to stay and enter	
	multiple times.	
	- If the person desires to	
	continue the period of	
	stay, extension is	
	permitted if done	
	according to the procedures.	
	- No need to leave after the	
	allowed 90 days	
	- Visa fee: 600 USD	
	- Permitted period: 1 year	
	- Allowed to stay and enter	
	multiple times.	
	 If the person desires to continue the period of 	
	stay, extension is	
	permitted if done	
	according to the	
	procedures.	
	procedures.	



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		-	No need to leave after the allowed 90 days		
12	Workshop/ seminar/meeting/ research visa	-	Visa fee: 40 USD Period of stay: 28 days If the person desires to continue the period of stay, extension is permitted if done according to the procedures	(1)	Applicant must submit invitation from the ministry or organization

Visa on arrival

(1) The following four types of visas on arrival are allowed at the airports in Yangon, Mandalay and Nay Pyi Taw:

No.	Visa types	Visa fees	Period of stay
1	Business visa (single)	50 USD	70 days
2	Workshop/seminar/meeting/research visa	40 USD	28 days
3	Crew visa	40 USD	28 days
4	Transit visa	20 USD	24 hours

Detailed information are available at http://www.mip.gov.mm.

E-visa

(2) The following two types of e-visas are allowed at the airports in Yangon, Mandalay and Nay Pyi Taw and at the border gates between Myanmar and Thailand in Tachileik, Myawaddy and Kawthoung:

No.	Visa types	Visa fees	Period of stay
1	Tourist visa	50 USD	28 days
2	Business visa (single)	70 USD	70 days

Detailed information are available at http://www.mip.gov.mm

Source: Kyemon, 2nd December 2016



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SEMINAR INVITATION:

MYANMAR'S LEGAL AND TAX FRAMEWORK

This seminar will provide participants with an overview of the most important legal and tax aspects of doing business in Myanmar. It is ideal for anyone having to familiarize themselves with this topic in a short period of time, and for anyone wishing to obtain an update on the most recent developments.

Date and time	Thursday, 15 th December 2016, 1:30pm - 5:00pm			
Place	Sule Shangri-La, 223 Sule Pagoda Road, Yangon			
Topics	 The new Myanmar Investment Law and the draft of the new Companies 			
	Law			
	Corporate compliance			
	 Labour law 			
	 Land law 			
	 Protection of intellectual property 			
	 Litigation 			
	 Taxation and customs 			
	 Dealing with corruption 			
Speakers	 Sebastian Pawlita 			
	 U Nyein Chan Zaw 			
Language	English			
Fee	Ks. 10,000 per person. Please pay on the day of the event at the reception. We			
	will provide a receipt.			
Registration	Please register by sending an e-mail to sebastian@lincolnmyanmar.com or			
	nyeinchanzaw@lincolnmyanmar.com, stating the name of your company and			
	the names of the participants.			