



## LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

NEWSLETTER 35 – 25<sup>th</sup> November 2017

**Dear Readers,**

Welcome to a new edition of our newsletter.

### **Companies Law passed by parliament on 23 November 2017**

Parliament enacted the new Companies Law on 23 November 2017; the law is currently awaiting signature by the president. The law has not been published yet. The latest English version of the draft is available on DICA's homepage (<http://tinyurl.com/y792jalr>); parliament does not seem to have made substantial changes. Once the law is published, we will translate it (in installments, we suppose) and make the translation available to our premium subscribers.

The draft contains a provision according to which "this law commences on the date of notification determined by the President of the Union", and we very much suppose that this provision made it into the final law unchanged. This means that the law will not come into effect immediately upon it being signed by the president, but at a later date which the president shall, at the time, notify to the public. We hear that the plans are for the law to go live some time in early 2018, but this may be a bit ambitious given that the Directorate of Investment and Companies Administration ("DICA") has to familiarise itself with the new law, implement the relevant procedures and issue the relevant forms first.

For investors, we think that there is presently no need to take immediate action. However, investors should familiarise themselves with the new law and think about amendments to their investment structures and modes of operation that may be required and/or desirable under the new law. Furthermore, they should review their procedures for corporate compliance as, due to a hefty increase of the penalties, non-compliance will be palpably expensive under the new law.

We will publish two or three pieces on the new law in the next two weeks or so. To begin with, please find here: <https://tinyurl.com/yazcx7l3> our analysis of the latest draft in English that we originally prepared for our premiums subscribers in July 2017. As parliament does not seem to have substantially altered the draft, this analysis may serve as an introduction to the new law.

We hope that you have enjoyed reading our newsletter and found it useful.

Sebastian Pawlita

Managing Director

Nyein Chan Zaw

Director