



# LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

NEWSLETTER 47 - 11<sup>th</sup> May 2018

*(Text corrected since original publication.)*

**Dear Readers,**

Welcome to a new edition of our newsletter.

## **Foreign retail and wholesale companies allowed**

This is just to inform our readers that the Ministry of Commerce has allowed, by Notification 25/2018 dated 9 May 2018, 100% foreign-owned companies and joint venture companies to engage in retail and wholesale business in addition to 100% Myanmar-owned companies (to whom this sector has always been open).

Please find our translation of the Notification here: <https://tinyurl.com/yav9b4bn>

There are minimum capital requirements for 100% foreign-owned and for joint venture companies:

	<b>100% foreign-owned</b>	<b>JV (Myanmar party &lt; 20%)</b>	<b>JV (Myanmar party &gt;= 20%)</b>
<b>Retail</b>	USD 3,000,000 plus the rent		USD 700,000 plus the rent
<b>Wholesale</b>	USD 5,000,000 plus the rent		USD 2,000,000 plus the rent

There are no minimum capital requirements for 100% Myanmar-owned companies. However, existing and new 100% Myanmar-owned companies with an investment capital of at least USD 700,000 or an equivalent MMK-amount must register a retail or wholesale permit with the Ministry of Commerce.

100% foreign-owned and joint venture companies must also register a retail or wholesale permit with the Ministry of Commerce. Unlike their local counterparts, they appear to require an MIC permit or endorsement. They are barred from opening minimarts or convenience stores with a floor area of less than 929 square metres.

The Notification evidently does not take the new Companies Law into account which does not treat companies with up to 35% foreign ownership as a “foreign company”.

Notification 25/2018 is an important and welcome addition to liberalisations of the trading sector that have occurred over the last 2 1/2 years or so. Please do not hesitate to contact us if you are interested in setting up a company for the import and trade of goods; it is now possible in many cases (although there are still more cases where it is not possible).

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

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