



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

NEWSLETTER 48 - 20th May 2018

Dear Readers,

Welcome to a new edition of our newsletter.

1. Minimum wage approved

The government approved a new minimum wage. According to Notification 2/2018 of the Committee for Setting the Minimum Wage dated 14 May 2018,

- the new minimum wage is Ks. 600 (approx. USD 0.45) per hour and Ks. 4,800 (approx. USD 3.60) for an eight hours working day starting from 14 May 2018;
- the new minimum wage applies to all employees in the entire of Myanmar irrespective of the location and work;
- as an exception, the new minimum wage does not apply to small businesses with less than 10 employees and family businesses;
- trainees must not be paid less than 50% of the minimum wage and employees not less than 75% during the three months probation period (Rule 43(l) Minimum Wage Rules).

An English translation of Notifications 1 and 2/2018 is available to our premium subscribers.

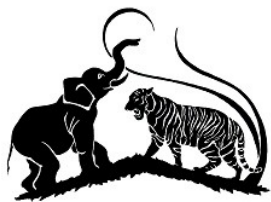
2. Banks may have a short financial year for tax purposes

The Central Bank apparently obliges state-owned banks, private banks, branches of foreign banks and finance companies to file reports on the basis of a shortened financial year from 1 April to 30 September 2018. The Internal Revenue Department consequently allows (at least this is how we interpret their letter) financial institutions to also base their tax filings on the shortened financial year; banks opting to do so would subsequently have a financial year from 1 October to 30 September (as opposed to currently 1 April to 31 March).

Please find a translation of the Internal Revenue Department's letter on our homepage: <https://tinyurl.com/yaukpxc2>

3. Expression of interest for elevated highway project in Yangon

The Ministry of Construction is inviting expressions of interest for the design, engineering, financing, construction, operation and maintenance of an a 47.5 km elevated toll road connecting Downtown Yangon, Yangon Port, Yangon International Airport, Mingalardon Industrial Park and the Yangon-Mandalay Expressway: <https://tinyurl.com/y9acdncck>



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4. Retail and wholesale open to foreign companies

We provided this information in our previous newsletter already, but here's the link again to our translation of Ministry of Commerce Notification 25/2018 allowing 100% foreign-owned companies to open retail and wholesale outlets (minimum capital requirements apply): <https://tinyurl.com/yav9b4bn>

5. Looking for a Myanmar joint venture partner

The Singapore owner of a brand of anti-vandal steel doors with a production facility in China is looking to expand production to Myanmar and in search of a joint venture partner. The joint venture partner should provide the land for the factory (minimum floor area 5,000 square metres) and its day-to-day operation and be in charge of domestic sales. The Singapore brand owner will provide the design, manufacturing process and technology and handle international sales; it is able to place annual orders of 20,000 doors and shutters with the joint venture company. The Myanmar joint venture partner must have experience in the operation of a sheet metal factory or steel furniture factory.

If you are interested, please contact sebastian@lincolnmyanmar.com or nyeinchanzaw@lincolnmyanmar.com.

6. Seminar: "Debt collection in Myanmar"

Please send an e-mail to sebastian@lincolnmyanmar.com or nyeinchanzaw@lincolnmyanmar.com if you wish to attend the seminar on 6 June 2018. The seminar invitation can be found here: <https://tinyurl.com/yb7qkjc4>

7. Electricity and energy news

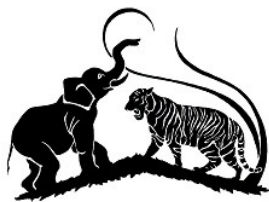
(a) **Rental power projects tender winners selected:** <https://tinyurl.com/y7sq8ozk> (The tender was for the installation and operation of 100MW gas-fired power plants in Myingyan and Kyaukse for five years with the gas being provided by the MoEE from the Shwe gas field; the Myingyan tender was won by VPower from Hong Kong and the Kyaukse tender by National Infrastructure Holdings from Myanmar.)

(b) **LPG terminal opens in Yangon:** <https://tinyurl.com/ybc246s4>

(c) **Elite Petrochemical launches first private-sector LPG project:** <https://tinyurl.com/yd4cnw2d>

(d) **Overview of the Myanmar LPG market:** <https://tinyurl.com/yd2i8odk>

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8. Market access and other news

- (a) Apollo Towers to merge with Pan Asia Majestic Eagle: <https://tinyurl.com/ybtps37s>
- (b) First credit bureau given license: <https://tinyurl.com/y8dnyaln>
- (c) BASF opens new manufacturing plant for construction chemicals: <https://tinyurl.com/y87y3xqm>
- (d) Myanma Railways to sign contract for USD 2.5 billion Yangon Central development project with tender winners Oxley Holdings and Myanmar Mindama within the next two months: <https://tinyurl.com/y7xlpjgb>
- (e) Yoma Strategic Holdings to sell bonds in Thai baht: <https://tinyurl.com/y7nnsvd6>
- (f) Lawmakers and residents oppose USD 93 million development project in Mayangone Township: <https://tinyurl.com/ybqpvfl2>
- (g) Ks. 1.3 trillion Yangon development plan with 12 projects not yet approved by parliament: <https://tinyurl.com/ya95qymq>
- (h) Singapore tops investors list in Thilawa SEZ: <https://tinyurl.com/ybksj7ri>
- (i) Starbucks to open in Myanmar with 20 shops: <https://tinyurl.com/y9q624rp>
- (j) Air Asia not to expand to Myanmar: <https://tinyurl.com/y8o8sb7d>
- (k) Transport of containerised goods permitted in Yangon during the day: <https://tinyurl.com/ybx3cw8y>

9. Tenders

- (a) **Ministry of Education:** Purchase of furniture and other items for dormitories: <https://tinyurl.com/ya3hv29r>
- (b) **Department for Rural Development:** Purchase of water quality testing kits: <https://tinyurl.com/yashghqh>
- (c) **Myanma Timber Enterprise:** Sale of teak and hardwood round logs and sawn timber: <https://tinyurl.com/yaf7rh3k>



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- (d) **Electric power generation enterprise:** Purchase of equipment:
<https://tinyurl.com/ybtsb5b4>
- (e) **Department for Rural Development:** Purchase of Honda motorcycles spare parts and repair kits and Toyota vehicle spare parts: <https://tinyurl.com/yc3rpnsd>

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

Sebastian Pawlita
Managing Director

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Director