



Dear Readers,

Welcome to a new edition of our newsletter.

1. Ministry of Commerce allows 100% foreign-invested companies to register as exporter and importer (new announcement)

(a) Administrative practice preventing foreigners from importing and trading goods apparently removed

On 9 August 2018, the Ministry of Commerce made a most welcome announcement. According to MoC Newsletter 6/2018 (an English translation is available to our premium subscribers), the following entities are now eligible to obtain an exporter and importer registration certificate:

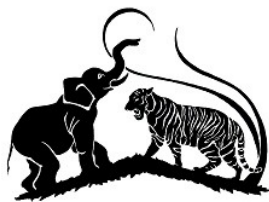
- Private and public companies wholly owned by Myanmar citizens;
- **foreign-owned companies and branches of foreign companies;**
- joint-venture companies; and
- cooperative societies.

According to the Newsletter, holders of an importer and exporter registration certificate are explicitly **entitled to export and import goods** by conventional trade and through the border trade posts. They may furthermore “**distribute the imported goods in the country through their preferred system** except goods for which a procedure has been specified according to a law or procedure of the relevant ministry”.

According to oral information from the Trade Policy Sub-Department, the intention is to register foreign-owned companies and branches of foreign companies without restrictions.

(b) Friction with Notification 25/2018

Now, we do not suppose that it was the intention of the Ministry to cancel Notification 25/2018 and its recently issued implementing guidelines - and their minimum investment and floor space requirements - through the backdoor. But it could be tempting, couldn't it, to simply try to obtain, as a foreigner, an exporter and importer registration certificate, get goods into the country and start trading without a local agent.



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Notification 25/2018 dated 9 May 2018 allows foreign companies to engage in a retail and/or wholesale business if they invest at least the following amounts and each retail outlet has a floor space of at least 929 square metres.

	80.1-100% foreign ownership	0.1-80% foreign ownership	100% Myanmar ownership
Wholesale	USD 5 million	USD 2 million	0
Retail	USD 3 million	USD 0.7 million	0

Notification 25/2018, however, only applies to certain goods (a translation of the list can be found on our homepage: <https://tinyurl.com/y8u8m9jj>), which conversely could mean that foreigners may freely import, export and trade all other goods by virtue of Newsletter 6/2018.

According to Newsletter 2/2018 (an English translation is available to our premium subscribers), importers of listed goods that fail to obtain a retail or wholesale permit from the Ministry of Commerce and/or abide by the minimum investment and floor space requirements risk the revocation of their exporter and importer registration certificate.

In any case, watch this space. We have a few foreign clients lined up that are keen to be able to import goods, and will keep you posted on further developments.

(c) Procedure to obtain an exporter and importer registration certificate

The peg for the Ministry of Commerce to issue Newsletter 6/2018 was actually the implementation of the new Companies Law and DICA's electronic filing system. Consequently, the required documents for obtaining an exporter and importer registration certificate are as follows:

- (1) Application on stationary with a letterhead that includes the company's phone number, fax number and e-mail address;
- (2) registration certificate issued by DICA's online system (certificate to start business for public companies); print-out of the company's extract;
- (3) table containing the names, positions, addresses, passport photos and signature specimen of the members of the board of directors;
- (4) MIC permit (MIC permit holders only);



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- (5) copy of the national registration card or passport of the director or managing director representing the applicant; and
- (6) evidence of the brought-in capital transferred from abroad (only for foreign companies engaging in trade) as original and copy - but there are apparently no minimum capital requirements.

2. Central Bank officially abolishes managed float system

The Central Bank now officially allows banks and money changers to ignore the Central Bank reference rate; see the order here: <https://tinyurl.com/yagjyym6>

3. DICA publishes 17 “standard criteria” for the education sector

Myanmar Investment Commission Notification No. 7/2018 dated 20 April 2018 (<https://tinyurl.com/y7r3ozmu>) officially opened the entire education sector to private investment. Myanmar investors, joint ventures between Myanmar and foreign investors and foreign investors alone may open basic education schools (kindergartens, primary, middle and high schools), technical, vocational and training schools, higher education schools (universities and colleges) and “subject-based schools” (preparatory classes for entrance exams, on-the-job training, language schools and schools teaching specific subjects).

This was quite a bold move considering that a new private school law has not been enacted yet and the current 2011 Private School Registration Law (<https://tinyurl.com/y88jp6nz>) explicitly prohibits foreign organisations from establishing private schools.

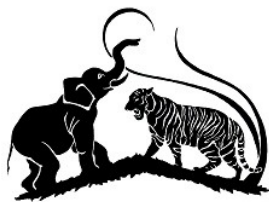
DICA has now published a list of “standard criteria” for investments in the education sector which may be downloaded here: <https://tinyurl.com/y8tc5pxs>

4. Listing on the Toronto stock exchange

Myanmar companies wishing to imitate SIM Co., Ltd. and list on the Toronto stock exchange (<https://tinyurl.com/y9y7whpg>) are welcome to contact us. Advantages include easier access to foreign capital.

5. DICA’s new online registration system...

... had a few hiccups in the beginning, but is now working just fine.



6. Revenue Appellate Tribunal Law enacted

The Revenue Appellate Tribunal Law (Pyidaungsu Hluttaw Law No. 23/2018) was enacted on 1 August 2018. A translation will be made available to our premium subscribers.

We once wrote an analysis of the bill and the tax appeal system in general which can be found here: <https://tinyurl.com/y75sudbd>

7. Electricity and energy news

- (a) Indian companies planning to set up LPG storage facilities; LNG import terminal: <https://tinyurl.com/y9fxvay9>
- (b) USD 30 million soft loan for solar electricity generation in Chin State and Naga: <https://tinyurl.com/y8cnzh2r>

8. Market access and other news

- (a) After implementation of new Companies Law, rules and regulations being drafted for foreign investment in YSX listed companies: <https://tinyurl.com/ybxojcfq>
- (b) New data demystify Myanmar's jade sector: <https://tinyurl.com/y9wbz2md>
- (c) Yangon-Mandalay railroad project delayed as Japan delays sending tracks: <https://tinyurl.com/ybfds5jg>
- (d) Swedish company hired to improve Yangon's bus system: <https://tinyurl.com/y9rfakj7>
- (e) Questions raised about the new Yangon City development project: <https://tinyurl.com/yaml6v4d>
- (f) Expressions of interest sought by Yangon Region government from foreign and local companies to implement a staff housing project on 183 acres of land: <https://tinyurl.com/y9p2xna6>
- (g) Yangon, Amata Corp. discuss industrial zone: <https://tinyurl.com/y75wazdm>
- (h) Tourists from Japan, Korea and China will not have to show USD 1,000 on entry: <https://tinyurl.com/yc6xxuha>
- (i) CBM to allow foreign banks to provide import trade financing to local companies: <https://tinyurl.com/ycv3rqtb>



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- (j) Let's hope that foreign business chambers will take this up:
<https://tinyurl.com/y8mfvtty>

9. Tenders

- (a) **Ministry of Electricity and Energy:** Installation of distribution lines and transformers in Sagaing Region: <https://tinyurl.com/y9rnlr9>
- (b) **Department of Power Transmission and System Control:** Sale of teak and roundwood hard logs and sawn timers: <https://tinyurl.com/ybzagk6q>
- (c) **Myanma Oil and Gas Enterprise:** Purchase of machinery, equipment and spare parts: <https://tinyurl.com/ycfcessu>
- (d) **No. (3) Heavy Industrial Enterprise:** Purchase of a track recording car EM 80 and small track maintenance machineries (deadline extension): <https://tinyurl.com/y8wrfmcn>

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

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