



Dear Readers,

Welcome to a new edition of our newsletter.

1. Labelling directive

According to the current Consumer Protection Law (Pyidaungsu Hluttaw Law No. 9/2019), certain product-related information (name; size, quantity and net weight; description of allergies; description of side effects; precaution notice) has to be displayed on labels in the Myanmar language for the first time, starting from 16th March 2020. This caused some confusion among manufacturers, importers and distributors as the list is not exactly product-specific - what, e.g., would be the side effects of an electric shaver?

To provide more clarity, the Myanmar Consumer Protection Commission issued a directive on 3rd December 2019 (an English translation is available on our homepage: <https://tinyurl.com/uxjrl7e>) which specifies, for eight product groups, what information has to be provided in the Myanmar language. While a step in the right direction, the directive still leaves many questions unanswered (and in some cases raises new ones), and businesses interested in compliance will have to work with the Ministry of Commerce to get their labelling right. Although certainly not a very likely scenario, defective labelling may land its originator in prison for up to two years and/or render him liable to a fine of up to Ks. 20 million.

2. New trademark registration system - our seminar

The new Intellectual Property Department of the Ministry of Commerce conducted its first public seminar to explain the new online trademark registration system this week, and **it really appears that the system will go live end of December.**

Those interested in the topic are cordially invited to attend our seminar on 10th December 2019; please register by sending an e-mail to sebastian@lincolnmyanmar.com or nyeinchanzaw@lincolnmyanmar.com.

The invitation can be found here: <https://tinyurl.com/tg62uap>

3. Stamp duty: penalty reduced

Pyidaungsu Hluttaw Law No. 32/2019 dated 26th November 2019 reduced the penalty for late stamping or stamping with an insufficient amount from 10 times to 3 times the deficient duty.



This is a welcome move which was already planned for 2017, but did not make it through parliament at the time.

4. **Trade Law (draft)**

The draft of a Trade Law - currently circulated to solicit comments from interested parties - will, if enacted, require businesses on a list of the Ministry of Commerce - **including foreign-invested and cross-border service businesses and businesses that purchase services from abroad** - to apply for a “trade registration certificate”. We understand that various chambers of industry and commerce are lobbying against the introduction of this additional and unnecessary layer of bureaucracy whose adoption would be particularly sad as the former “permit to trade” was finally abolished by the new Companies Law.

In what is other unwelcome news, the draft provides for an authorisation of the Ministry of Commerce to introduce price controls.

Furthermore, the draft proposes to establish “commercial courts” to “prosecute offences”. Establishing commercial courts for criminal cases seems to us to be a rather unique concept. Usually, commercial courts are specialist courts dealing with the complexities of civil litigation among business persons.

So far, this is only a draft, and we hope that it will stay this way.

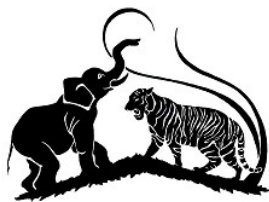
5. **Ministry of Planning and Finance and Ministry of Industry merged**

The two ministries were merged on 26th November 2019; the new entity is called Ministry of Planning, Finance and Industry. It is headed by U Soe Win, formerly managing partner of Deloitte Myanmar, who was also the head of the two separate ministries.

6. **Disclosure of beneficial owners**

The Directorate of Investment and Company Administration (DICA) will soon require companies to disclose their beneficial owners (these are in particular individuals who directly or indirectly hold more than 5% of the shares). DICA issued a corresponding directive on 15th November 2019 (<https://tinyurl.com/tj3zax7>), but the reporting form is not online yet.

Companies must (a) keep information on their beneficial owners up-to-date, (b) provide them to DICA and the tax authorities in a timely manner, (c) appoint either (i) an individual residing in Myanmar or (ii) a company service provider, lawyer, accountant or similar service provider



who/that can furnish information and provide assistance to the authorities, and (d) make arrangements to maintain records for five years after the company's dissolution or the termination of the retainer with the service provider.

7. Customer/partner due diligence procedures for banks and microfinance companies

November seems to be anti-money laundering month. Both the Central Bank (<https://tinyurl.com/yx5q6j3q>) and the Microfinance Business Supervisory Committee (<https://tinyurl.com/s6jgwxh>) issued detailed directives on the precautions that banks, financial institutions and microfinance companies must undertake in order to avoid dealing with potential money launderers and terrorism financiers.

8. Licenses granted to foreign insurers

The Financial Regulatory Department awarded licenses to the following foreign-invested insurance companies on 28th November after having issued temporary licenses in the end of April 2019.

| Foreign company | Myanmar company | Insurance type |
|---------------------------------|----------------------------------|----------------|
| Prudential (100%) | | Life |
| Dai-ichi Life (100%) | | Life |
| AIA (100%) | | Life |
| Chubb (100%) | | Life |
| Manulife (100%) | | Life |
| Tokyo Marine Holdings (35%) | Grand Guardian Insurance (65%) | Non-life |
| Nippon Life Insurance (35%) | Grand Guardian Insurance (65%) | Life |
| Mitsui Sumitomo Insurance (35%) | IKBZ Insurance (65%) | Non-life |
| Sompo Holdings (35%) | AYA Myanmar Insurance (65%) | Non-life |
| Thai Life Insurance (35%) | Citizen Business Insurance (65%) | Life |
| Taiyo Life Insurance (35%) | Capital Life Insurance (65%) | Life |

9. Electricity and energy news

- (a) VPower seems to have submitted MIC permit applications for LNG projects; investment volume USD 500 million: <https://tinyurl.com/srprkl2>
- (b) Forever Thanlwin Co. forced to cancel public consultation on offshore supply base project amid local opposition: <https://tinyurl.com/uequbfo>



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- (c) Potential environmental and social impacts of Chinese mega-projects: <https://tinyurl.com/wjh289v>
- (d) Task force to probe information on beneficial owners of extractive companies: <https://tinyurl.com/w4x9zg7>
- (e) ENI to begin oil exploration in Mandalay: <https://tinyurl.com/uo8hrcw>

10. Market access and other news

- (a) Ooredoo said to mull cutting stake in USD 4 billion Myanmar unit: <https://tinyurl.com/qvek4f8>
- (b) Ayala to invest USD 238 million in Yoma Strategic Holdings: <https://tinyurl.com/uequbfo>
- (c) Grab launches new hotel booking app: <https://tinyurl.com/tgrmo5r>

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

Sebastian Pawlita
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About Lincoln Legal Services (Myanmar) Limited

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