## LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

# NEWSLETTER 74 - 26<sup>th</sup> May 2020

#### Dear Readers,

#### Liquor import ban largely lifted

On 25<sup>th</sup> May 2020, the Ministry of Commerce reversed its ban on the import of liquor with the exception of wine (whose import was legalised already in 2015) and beer (whose import remains prohibited). English translations of Notifications 38 and 39/2020 are <u>available on our homepage</u>.

This is welcome news to wholesalers, retailers and consumers - and, possibly, also good news for Myanmar's coffers as alcohol from abroad does not have to be smuggled anymore and may be officially taxed.

Currently, the following items may still not be imported:

- Beer;
- cigarettes;
- other goods that are restricted or prohibited according to a law in force.

In practice, this amounts to a removal of the prohibition to import ready-to-drink hard liquor and rectified spirit used in the domestic production of alcoholic beverages. There are still certain restrictions as only "pricier" (ready-to-drink, we suppose) liquor may be imported (minimum CIF price: USD 8 per litre) and imports may only be made by air or sea through terminals in Yangon.

The licensing procedure is similar to that for wine which was introduced in 2015. In order to qualify for permission to import ready-to-drink liquor, a company must -

- be a "Myanmar company" incorporated according to the Myanmar Companies Law (this would include foreign-invested companies if the foreign shareholding ratio does not exceed 35%);
- be registered as an exporter/importer with the Ministry of Commerce;
- have one director holding an "FL-11 license" (license for the wholesale vend of foreign alcoholic liquor) this is one of the various alcohol licenses which may only be held by individuals (not companies) with Myanmar nationality; they must currently (still) be purchased from existing license holders as no new licenses are issued;
- be in an exclusive distributorship or dealership with one or more than one foreign liquor manufacturer; and



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• have premises for distribution or a warehouse permitted by the relevant District General Administration Department.

A qualifying company wishing to import liquor must apply with the Ministry of Commerce (i) for a renewable "liquor import registration certificate" with a validity of one year and (ii) for each shipment, for an import license.

The procedure for the import of rectified spirit is slightly different as it does not require an FL-11 license, but FL-4 (compounding, blending, flavouring or colouring) and FL-5 (bottling) licenses.

The current procedure for the import of alcohol by duty-free shops and hotels remains unchanged for the time being; the Ministry of Commerce will apparently issue a separate notification for it.

Please do not hesitate to contact us if you wish to build a business around this topic; we have assisted in the acquisition of several alcohol licenses and are representing a number of "alcohol-related" businesses.

Sebastian Pawlita Managing Director Nyein Chan Zaw Director



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### **About Lincoln Legal Services (Myanmar) Limited**

Lincoln Legal Services (Myanmar) Limited provides the full range of legal and tax advisory and compliance work required by investors. We pride ourselves in offering result-oriented work, high dependability and a fast response time at very competitive prices. Please do not hesitate to contact us:

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