

Dear Readers,

Welcome to a new edition of our newsletter!

1. “Law to Prevent an Increased Quantity of Imports”

According to [President’s Office Notification 83/2020](#), the Law to Prevent an Increased Quantity of Imports (Pyidaungsu Hluttaw Law No. 35/2019 - an [English translation](#) is available on our homepage) will enter into force on 1st July 2021.

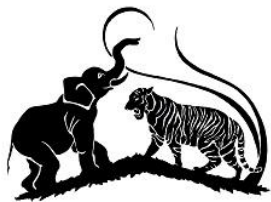
From the perspective of foreign exporters to Myanmar, the title of the law may sound quite alarming, but its content is probably not. The law implements the [Agreement on Safeguards](#), a WTO agreement allowing member states to increase tariffs and/or restrict imports in order to prevent serious injury or the threat thereof to a domestic industry. Because such measures target legitimate trade (as opposed to, e.g., dumping), an exporting state may in principle request compensation for lost trade.

Due to the compensation principle in the Agreement on Safeguards (the exporting country may seek compensation through negotiations and, if this fails, retaliate), we do not really think that this law will be used often. However, foreign exporters of items that compete directly with goods that are locally produced in Myanmar may wish to be on the watch.

Imported goods competing directly with locally produced goods (non-comprehensive list):

Bread, detergent, chips, coffee, tea, fruit, sauces, fish sauce, ice cream, noodles, sausages and other preserved meats, beef, water, milk, yogurt, oil, seasoning and salt, preserved fruit, biscuits, nuts, energy drinks, soda water, sugar, condensed milk, creamer, tissues, pens, notebooks, glasses, mugs, plates, dish washing liquid, electrolyte powder, ointments such as tiger balm

Generally speaking, Myanmar producers rightfully complain that cheap imports from Thailand and China seriously put their industry at risk, but our understanding is that most of these imports enter the country by border trade of which a large portion consists of smuggling. Such illegal imports are not within the scope of the Law to Prevent an Increased Quantity of Imports and its formal procedure by which Myanmar could restrict legitimate imports. Rather, the



Ministry of Commerce could simply seize the illegally imported goods (but this is of course a capacity and enforcement problem).

In addition to the Law to Prevent an Increased Quantity of Imports, we expect that Myanmar will at some point also enact an anti-dumping law.

2. Instructions to non-bank financial institutions on contracts and interest calculation

On 9th July 2020, the Central Bank issued a letter to non-bank financial institutions (an [English translation](#) can be found on our homepage) instructing them of the minimum contents of loan agreements (loan amount, interest rate per annum, repayment period, number of installments as well as commission fees and other fees, if any) and the calculation of the interest.

The interest must be calculated in a way that a reduction of the principal due to repayment also decreases the interest due. The institution may calculate the monthly installments as the sum of a constant installment of the principal and the interest (which means that the monthly installments decrease over time) or according to the amortisation method (which means that the monthly installments remain the same over the entire repayment period).

The Central Bank explicitly allows the addition of late payment interest on outstanding principal and outstanding interest payments.

3. Quarterly commercial tax declaration

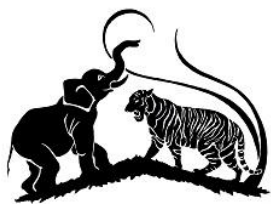
It was always compulsory to file a quarterly commercial tax declaration, but please note that this is now enforced.

4. Electricity and Energy news

- (a) [Myanmar oil and gas revenue forecast decrease in 2020-21](#)
- (b) [Indian cabinet approves additional investment by ONGC Videsh in Shwe gas block](#)
- (c) [Myanmar's electricity losses shrink](#)
- (d) [Myanmar imports first two LNG cargoes from Petronas](#)

5. Market access and other news

- (a) [Special arrangements available to foreign investors, key personnel to enter Myanmar](#)



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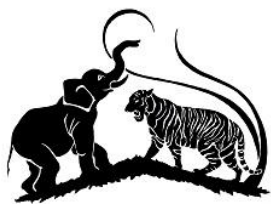
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- (b) [Myanmar government plans to purchase more reserve rice](#)
- (c) [Myanmar an emerging market for the IT industry, says Huawei](#)
- (d) [Myanmar rolls out plan to boost domestic tourism](#)

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

Sebastian Pawlita
Managing Director

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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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