



Dear Readers,

Welcome to a new edition of our newsletter!

1. Questions from clients, in light of recent events

We will obviously have an update on the current state of emergency in the following paragraphs, but thought that we should start this newsletter with some of the questions that we received from clients. Interestingly, most queries are from local companies and revolve around the following:

- “We just shipped a huge amount of beans and our foreign customer now tells us that he cannot pay us because banks stopped doing money transfers to Myanmar.”
- “We have a long-term contract for selling coffee with a foreign customer. He just notified us that he would buy our current shipment, but might not be able to accept future shipments as he fears sanctions.”

We wrote a [primer on litigation abroad](#) in the beginning of the COVID-19 pandemic which now, again, is (sadly) useful reference.

We think that in many of these cases, the arguments of the foreign side are just a cheap way of trying to get out of payment obligations or an inconvenient contract.

We are not aware of any new official impediments (as of today) on foreign banks transferring funds into Myanmar, apart from the difficulties that many banks always had with USD transactions.

As to sanctions - evidently, [US President Joe Biden](#) and others threatened their (re-) imposition, but we would rather expect - if a new sanctions regime is implemented - that it would be more target-specific than last time, i.e. (only) imposed on the military, their companies and business partners, in order to avoid a burden on the population. Foreign companies sourcing or investing in Myanmar should therefore not be too concerned, but they have to ensure to only deal with “ordinary” businesses.



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2. The new regime

English translations of the various orders, notifications and announcements that set up or are in the process of setting up the new regime can be found in the [Global New Light of Myanmar](#) (2nd and 3rd February).

In a nutshell, Senior General Min Aung Hlaing set up a (Union-level) “State Administration Council” with senior military personnel (including himself) and three civilians (we understand that one of them is a KNU leader and two are former NLD members who split with their party to contest in the 2010 election) as the legislative body and nominator of personnel for the executive and judicial branches.

In terms of the executive, the Senior General and the State Administration Council so far (re-) appointed 13 Union ministers and many other top civil servants and dismissed NLD office holders.

All judges of the Supreme Court and the High Courts of the Regions and States were reappointed.

Interestingly, also reappointed were all members of the Anti-Corruption Commission and the Myanmar National Human Rights Commission.

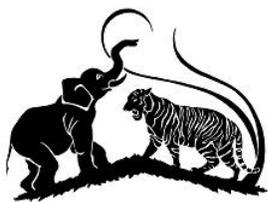
Executive and legislative power in the Regions, States and in Nay Pyi Taw seems to be exercised by Regional or State Administrative Councils or the Nay Pyi Taw Council.

3. Economic outlook

Well... Among the new Union ministers are three acquaintances from the Thein Sein era: U Wunna Maung Lwin (Ministry of Foreign Affairs), U Win Shein (Ministry of Planning, Finance and Industry) and U Aung Naing Oo (Ministry of Investment and Foreign Economic Relations).

U Aung Naing Oo was DICA’s director general and the MIC’s secretary from 2012 to 2019 and served as director general and permanent secretary of the Ministry of Investment and Foreign Economic Relations until the state of emergency. He was, and is, well-respected in the local and foreign business community; his appointment projects a commitment to an open investment climate.

In reality, however, the economic outlook is better exemplified by Amata’s announcement to halt its [USD 1 billion industrial park project in Yangon](#). Grants by development banks and



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Western governments for economic development will stop. Likewise, NGOs will not be able to obtain foreign grants for development projects, but only for human aid.

4. Further reading

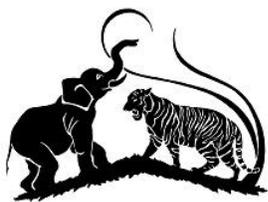
An absolute must these days is a subscription to [Frontier Myanmar's Daily Briefing](#).

Recommended reading is also [this journalist's tweets](#).

We hope that you found this information useful.

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About Lincoln Legal Services (Myanmar) Limited

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