



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

COMPLIANCE CHECKLIST FOR AN INVESTMENT IN MYANMAR

(Excerpt: Labour law and social security for establishments other than factories)

Labour and social security matters

A. Opening and closing the business; changing its location and other details

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
1	<p>Opening the business (or reopening after temporary closure)</p> <p>(a) Notifying the Factories and General Labour Laws Inspection Department (“FGLLID”) with “form (1) - notice of the commencement of a shop/establishment” provided by the Shops and Establishments Rules (“SER”) and keeping a copy of the form for 12 months (section 20 Shops and Establishments Law (“SEL”); rules 3, 5(b) 17(a) SER)</p> <p>(b) Notifying the Township Social Security Office (“TSSO”) with either of the following forms provided by the Social Security Rules (“SSR”):</p> <ul style="list-style-type: none"> ▪ “form (5) - record on establishing and opening of the establishment”, or ▪ “form (6) - record on temporary closing or opening of the 	<p>FGLLID</p> <p>TSSO</p>	<p>Within 10 days after opening the establishment</p> <p>The law does not seem to specify a deadline for notifying the TSSO</p>	<p>Imprisonment of up to 3 months and/or a fine from Ks. 300,000 to 500,000 for failure to keep required SER forms for inspection (section 30 SEL)</p> <p>Imprisonment of up to 3 months and/or fine for failure to inform the TSSO (section 94(e) SSL)</p>

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	<p>establishment”</p> <p>and keeping a copy of the form (rule 47(a)(i), (ii) SSR); the law does not seem to specify a minimum retention period.</p>			
2	<p>Moving, changing, expanding or transferring the business</p> <p>(a) Notifying the FGLLID with “form (2) - notice of the movement, change, expansion or transfer of a shop or establishment or the appointment or change of employees” provided by the SER and keeping a copy of the form for 12 months (section 20 SEL; rules 4, 17(a) SER)</p> <p>(b) Notifying the TSSO with either of the following forms:</p> <ul style="list-style-type: none"> ▪ “form (7) - record on change of the employer”, ▪ “form (8) - record on change of category of business”, or ▪ “form 9 - record on the change of the place of establishment” 	<p>FGLLID</p> <p>TSSO</p>	<p>Within 10 days after the event</p> <p>The law does not seem to specify a deadline for notifying the TSSO</p>	<p>Imprisonment of up to 3 months and/or a fine from Ks. 300,000 to 500,000 for failure to keep required SER forms for inspection (section 30 SEL)</p> <p>Imprisonment of up to 3 months and/or fine for failure to notify the TSSO (section 94(d) SSL)</p>

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	and keeping a copy of the form (rule 47(a)(iii)-(v) SSR); the law does not seem to specify a minimum retention period.			
3	<p>Changing the manager of the business</p> <p>Notifying the TSSO with “form 10 - record on the change of manager” of the SSR and keeping the form (rule 47(a)(vi) SSR); a minimum retention period does not seem to be specified.</p>	TSSO	The law does not seem to specify a deadline for notifying the TSSO	Possibly, imprisonment of up to 3 months and/or fine for failure to keep required SSR forms (section 94(e) SSL)
4	<p>Closing the business temporarily or permanently</p> <p>(a) Notifying the FGLLID “form (3)” of the SER and keeping a copy of the form for 12 months (section 20 SEL; rules 5, 17(a) SER)</p> <p>(b) Notifying the TSSO with “form (6) - record on temporary closing or opening of the establishment” provided by the SSR and keeping a copy of the form (rule 47(a)(ii) SSR); a</p>	<p>FGLLID</p> <p>TSSO</p>	<p>10 days prior to the closure</p> <p>The law does not seem to specify a deadline for notifying the TSSO</p>	<p>Imprisonment of up to 3 months and/or a fine from Ks. 300,000 to 500,000 for failure to keep required SER forms for inspection (section 30 SEL)</p> <p>Possibly, imprisonment of up to 3 months and/or fine for failure to keep required SSR forms</p>

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	minimum retention period does not seem to be specified			(section 94(e) SSL)

B. When hiring an employee

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
1	<p>Appointment letter for training and/or probationary period</p> <p>Not so much of an obligation but a right of the employer:</p> <p>It is possible to first appoint an employee for a training period (if he or she does not yet possess the skills required for the job and/or a probationary period.</p> <p>In general practice, employees appointed for training and/or on probation are given an appointment letter and not an employment contract. This general practice is legal (section 5(a)(2) Employment and Skills Development Law "ESDL").</p>	No requirement to file the appointment letter with any authorities.	No period specified; typically, the employer issues the appointment letter prior to the employee starting the training or the probationary period.	None
2	Maximum training and/or probationary			

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	<p>period</p> <ul style="list-style-type: none"> ▪ Maximum 3 months training period; minimum payment: 50% of the [regular] salary (section 43(l) Minimum Wage Rules “MWR”) ▪ Maximum 3 months probationary period (para. 6(h) National Committee for Setting the Minimum Wage Notification 1/2018); minimum payment: 75% of the [regular] salary (section 43(l) MWR) 	<p>No filing requirements. Compliance with these minimum requirements is monitored by the FGLLID. Usually, the FGLLID would be tipped off by aggrieved employees.</p>	<p>N/A</p>	<p>3 months imprisonment and/or a fine for exceeding the maximum training or probationary period or paying salary below the minimum requirement (section 27 Minimum Wage Law “MWL”)</p>
<p>3</p>	<p>Minimum wage</p> <p>Currently, MMK 600 per hour or MMK 4,800 per day (Notification 2/2018 of the Committee for Setting the Minimum Wage). We understand that administrative practice considers the monthly minimum wage to amount to MMK 144,000 per month, irrespective of whether the month has 28, 29, 30 or 31 days.</p> <p>Employers paying only the minimum wage must display the up-to-date minimum wage as fixed by the Committee for</p>	<p>No filing requirements. Compliance with these minimum requirements is monitored by the FGLLID. Usually, the FGLLID would be tipped off by aggrieved employees.</p>	<p>N/A</p>	<p>Imprisonment of up to 1 year and/or fine of up to MMK 500,000 for underpayment (section 23 MWL)</p> <p>Imprisonment of up to 6 months and/or fine of up to MMK 300,000 for failure to inform employees about, or display, the amount of</p>

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	Setting the Minimum Wage at a conspicuous place in the workplace (section 24(b) MWL)			the statutory minimum wage (section 25 MWL)
4	<p>Minimum age</p> <ul style="list-style-type: none"> ▪ Under 14: Employment completely prohibited (section 13(a) SEL) ▪ Above 14 and under 16: Employment possible with medical certificate; max. 4 working hours per day; no work from 6:00 pm to 6:00 am; no work at different establishments on the same day (section 14(a)-(c) SEL) ▪ Above 16 and under 18: Employment possible with medical certificate (section 14(e) SEL) 	Copy of the medical certificate has to be filed together with “form (2) - notice of the movement, change, expansion or transfer of a shop or establishment or the appointment or change of employees” with the FGLLID when notifying it of the new employment, see below A.7	<p>File medical certificate together with “form (2)” within 10 days after the commencement of the employment (rule 4 SER)</p> <p>Keep “child labour registration book” (form (10) SER) for 12 months (rule 17 SER)</p>	Imprisonment of up to 6 months and/or a fine from MMK 5,000,000 to 10,000,000 for employing minors against the law (section 27 SEL)
5	<p>Signing of the employment contract</p> <p>The employer has to sign an employment contract within 30 days (section 5(a)(1) ESDL).</p> <p>There is no corresponding obligation in the law for the employee, but we think that an</p>	The employment contract has to be approved by the Township Labour Office (“TLO”); see below no.	The employer has to sign the employment contract within 30 days after the end of the training or probationary period or, as the case	Imprisonment of up to 6 months and/or a fine for failure to sign the employment contract within 30 days (section

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	<p>employer can dismiss an employee who does not want to sign within the 30 days without observing a notice period as (i) without employment contract, there is simply no employment relationship, and (ii) the employee prevents the employer from complying with a legal obligation.</p>	A.6	may be, from the start of a fresh employment	38(a) ESDL)
6	<p>Using the Ministry of Labour employment contract template</p> <p>An employer with more than 5 employees is obliged to use the employment contract template prepared by the Ministry of Labour, Immigration and Population (MoL Notification 140/2017 and Announcement 4/2017).</p> <p>If the employer has an investment permit or endorsement from the Myanmar Investment Commission, a Regional or State Investment Commission or the Thilawa Special Economic Zone Management Committee, foreign employees count towards the “5 employees” threshold according to administrative practice and it is necessary to use the MoL employment contract</p>	TLO	<p>Deadline for submission of the employment contract to the TLO not specified, but to be on the safe side, we would suggest to ensure that the employment contract is signed and submitted within 30 days after the end of the training or probationary period or, as the case may be, from the start of a fresh employment.</p>	<p>Imprisonment of up to 1 year and/or fine for failure to use the template and/or obtain approval from the TOL (section 36 ESDL)</p>

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	<p>template for the foreign employees. Otherwise, it is not necessary to use the template for foreign employees.</p> <p>It is not possible to change the wording of the template, but individually agreed clauses may be attached to the contract as an appendix.</p> <p>Once signed, the employment contract (and its appendices) have to be approved by the TLO. (In practice, one would show the contract to the TLO also prior to signing to avoid unpleasant surprises.) The law does not specify any submission deadline in this regard.</p>			
7	<p>Notifying the FGLLID of the new hire</p> <p>At least theoretically, an employer must, when hiring a new (Myanmar or foreign) employee, file “form (2) - notice of the movement, change, expansion or transfer of a shop or establishment or the appointment or change of employees” with the FGLLID (section 20 SEL; rule 4 SER) and keep a copy of the form for 12 months.</p>	FGLLID	The FGLLID must be notified “within 10 days” (presumably after the end of the training or probationary period or, as the case may be, from the start of a fresh employment)	Imprisonment of up to 3 months and/or fine from MMK 300,000 to 500,000 for failure to keep a copy of form (2) for 12 months for inspection (section 30 SEL)

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
8	<p>Registering the employee for social security</p> <p>An employer must (i) send any new employee to a Social Security Board approved doctor to obtain a medical certificate of good health and (ii) register the new employee “form 2” with the TSSO (section 16(a) SSL; rule 42(c) SSR)</p> <p>The employer shall keep a copy of the worker registration form (rule 47(b)(iv) SSR); a minimum retention period is not specified.</p>	TSSO	New employees to be registered with the TSSO within 10 days after their appointment (rule 42(c) SSR)	Imprisonment of up to 1 year and/or fine for failure to register an employee for social security (section 94(a) SSL)

C. During employment

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
1	<p>Payment of salaries</p> <p>Salaries to be paid at the latest within 7 days after the end of the payment period (section 16 SEL). There is a slight conflict with the Payment of Wages Law (“PWL”) which mandates payment at the end of the month, but the FGLLIDs seem to apply</p>	General compliance is monitored by the FGLLID	See deadlines below concerning the various filings and forms with regard to the payment of salary	Imprisonment of up to 3 months and/or fine from MMK 3,000,000 to 7,500,000 for late payment (section 28 SEL)

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance																								
	the SEL.																											
	<p>The Payment of Wages Rules (“PWR”), the SSR and the SER provide for several forms in connection with the payment of salaries that employers have to use:</p> <table border="1" data-bbox="407 513 1579 1393"> <thead> <tr> <th data-bbox="407 513 522 553">Sr. no.</th> <th data-bbox="522 513 1024 553">Form description</th> <th data-bbox="1024 513 1171 553">Form no.</th> <th data-bbox="1171 513 1579 553">What to do with the form</th> </tr> </thead> <tbody> <tr> <td data-bbox="407 553 522 743">(a)</td> <td data-bbox="522 553 1024 743">Application for postponement of payment date by max. 10 days due to a natural disaster or other unforeseen cause (Rule 3 PWR)</td> <td data-bbox="1024 553 1171 743">Form (1) PWR</td> <td data-bbox="1171 553 1579 743">File with the FGLLID 7 days prior to the original payment date</td> </tr> <tr> <td data-bbox="407 743 522 898">(b)</td> <td data-bbox="522 743 1024 898">Agreement between employer and employee to postpone the payment date (Rule 4 PWR)</td> <td data-bbox="1024 743 1171 898">Form (2) PWR</td> <td data-bbox="1171 743 1579 898">File with the FGLLID 7 days prior to the original payment date</td> </tr> <tr> <td data-bbox="407 898 522 1089">(c)</td> <td data-bbox="522 898 1024 1089">Permission from the FGLIID to postpone the payment date (Rule 6 PWR) with the consent of the Ministry of Labour, Immigration and Population</td> <td data-bbox="1024 898 1171 1089">Form (3) PWR</td> <td data-bbox="1171 898 1579 1089">Keep for 12 months</td> </tr> <tr> <td data-bbox="407 1089 522 1198">(d)</td> <td data-bbox="522 1089 1024 1198">Application for permission to deduct a fine from the salary (Rule 7 PWR)</td> <td data-bbox="1024 1089 1171 1198">Form (4) PWR</td> <td data-bbox="1171 1089 1579 1198">File with the FGLLID 7 days prior to payment day</td> </tr> <tr> <td data-bbox="407 1198 522 1393">(e)</td> <td data-bbox="522 1198 1024 1393">Order from the FGLLID approving or rejecting the application for permission to deduct a fine from the salary (Rule 8 PWR)</td> <td data-bbox="1024 1198 1171 1393">Form (5) PWR</td> <td data-bbox="1171 1198 1579 1393">If the order approves the application, post the order conspicuously at the workplace</td> </tr> </tbody> </table>			Sr. no.	Form description	Form no.	What to do with the form	(a)	Application for postponement of payment date by max. 10 days due to a natural disaster or other unforeseen cause (Rule 3 PWR)	Form (1) PWR	File with the FGLLID 7 days prior to the original payment date	(b)	Agreement between employer and employee to postpone the payment date (Rule 4 PWR)	Form (2) PWR	File with the FGLLID 7 days prior to the original payment date	(c)	Permission from the FGLIID to postpone the payment date (Rule 6 PWR) with the consent of the Ministry of Labour, Immigration and Population	Form (3) PWR	Keep for 12 months	(d)	Application for permission to deduct a fine from the salary (Rule 7 PWR)	Form (4) PWR	File with the FGLLID 7 days prior to payment day	(e)	Order from the FGLLID approving or rejecting the application for permission to deduct a fine from the salary (Rule 8 PWR)	Form (5) PWR	If the order approves the application, post the order conspicuously at the workplace	<p>Imprisonment of up to 3 months and/or a fine of at least MMK 2,000,000 for postponing payment beyond due date without approval from the employee or for unlawful deductions (section 24 PWL)</p> <p>Fine from MMK 100,000 to 500,000 for postponing payment beyond due date or making deductions without approval from the FGLLID (section 26 PWL)</p> <p>Different laws provide for different penalties for failure to keep records; the highest penalty is</p>
Sr. no.	Form description	Form no.	What to do with the form																									
(a)	Application for postponement of payment date by max. 10 days due to a natural disaster or other unforeseen cause (Rule 3 PWR)	Form (1) PWR	File with the FGLLID 7 days prior to the original payment date																									
(b)	Agreement between employer and employee to postpone the payment date (Rule 4 PWR)	Form (2) PWR	File with the FGLLID 7 days prior to the original payment date																									
(c)	Permission from the FGLIID to postpone the payment date (Rule 6 PWR) with the consent of the Ministry of Labour, Immigration and Population	Form (3) PWR	Keep for 12 months																									
(d)	Application for permission to deduct a fine from the salary (Rule 7 PWR)	Form (4) PWR	File with the FGLLID 7 days prior to payment day																									
(e)	Order from the FGLLID approving or rejecting the application for permission to deduct a fine from the salary (Rule 8 PWR)	Form (5) PWR	If the order approves the application, post the order conspicuously at the workplace																									

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance																									
	<table border="1"> <tr> <td data-bbox="407 305 522 451">(f)</td> <td data-bbox="522 305 1024 451">Record of salary payment for all workers (Rule 9 PWR) - monitored by the FGLLI</td> <td data-bbox="1024 305 1171 451">Form (6) PWR</td> <td data-bbox="1171 305 1577 451">Keep for 12 months (Rule 9 PWR)</td> <td data-bbox="1591 305 1915 1203" rowspan="6">provided in the SSL: Imprisonment of up to 3 months and/or fine (section 94(d) SSL)</td> </tr> <tr> <td data-bbox="407 451 522 646">(g)</td> <td data-bbox="522 451 1024 646">Record of salary payment for all workers for social security purposes (Rule 42(b)(ii) SSR) - monitored by the TSSO</td> <td data-bbox="1024 451 1171 646">No form specified</td> <td data-bbox="1171 451 1577 646">Keep for an unspecified period of time</td> </tr> <tr> <td data-bbox="407 646 522 797">(h)</td> <td data-bbox="522 646 1024 797">Record of salary payment for each individual worker for social security purposes (Rule 42(b)(iii) SSR)</td> <td data-bbox="1024 646 1171 797">No form specified</td> <td data-bbox="1171 646 1577 797">Keep for an unspecified period of time</td> </tr> <tr> <td data-bbox="407 797 522 948">(i)</td> <td data-bbox="522 797 1024 948">Record of bonus payments (Rule 17 SER)</td> <td data-bbox="1024 797 1171 948">No specific form</td> <td data-bbox="1171 797 1577 948">Keep for 12 months</td> </tr> <tr> <td data-bbox="407 948 522 1057">(j)</td> <td data-bbox="522 948 1024 1057">Record of deductions from the salary (Rule 9 PWR)</td> <td data-bbox="1024 948 1171 1057">Form (7) PWR</td> <td data-bbox="1171 948 1577 1057">Keep for 12 months</td> </tr> <tr> <td data-bbox="407 1057 522 1166">(k)</td> <td data-bbox="522 1057 1024 1166">Record of usage of fines (Rule 9 PWR)</td> <td data-bbox="1024 1057 1171 1166">Form (8) PWR</td> <td data-bbox="1171 1057 1577 1166">Keep for 12 months</td> </tr> </table>	(f)	Record of salary payment for all workers (Rule 9 PWR) - monitored by the FGLLI	Form (6) PWR	Keep for 12 months (Rule 9 PWR)	provided in the SSL: Imprisonment of up to 3 months and/or fine (section 94(d) SSL)	(g)	Record of salary payment for all workers for social security purposes (Rule 42(b)(ii) SSR) - monitored by the TSSO	No form specified	Keep for an unspecified period of time	(h)	Record of salary payment for each individual worker for social security purposes (Rule 42(b)(iii) SSR)	No form specified	Keep for an unspecified period of time	(i)	Record of bonus payments (Rule 17 SER)	No specific form	Keep for 12 months	(j)	Record of deductions from the salary (Rule 9 PWR)	Form (7) PWR	Keep for 12 months	(k)	Record of usage of fines (Rule 9 PWR)	Form (8) PWR	Keep for 12 months			
(f)	Record of salary payment for all workers (Rule 9 PWR) - monitored by the FGLLI	Form (6) PWR	Keep for 12 months (Rule 9 PWR)	provided in the SSL: Imprisonment of up to 3 months and/or fine (section 94(d) SSL)																									
(g)	Record of salary payment for all workers for social security purposes (Rule 42(b)(ii) SSR) - monitored by the TSSO	No form specified	Keep for an unspecified period of time																										
(h)	Record of salary payment for each individual worker for social security purposes (Rule 42(b)(iii) SSR)	No form specified	Keep for an unspecified period of time																										
(i)	Record of bonus payments (Rule 17 SER)	No specific form	Keep for 12 months																										
(j)	Record of deductions from the salary (Rule 9 PWR)	Form (7) PWR	Keep for 12 months																										
(k)	Record of usage of fines (Rule 9 PWR)	Form (8) PWR	Keep for 12 months																										
2	<p>Payment of social security contributions and record keeping</p> <p>(a) Social security contributions</p> <p>An employer with 5 or more</p>	Township Social Security	Pay the monthly social	Penalty for late payment:																									

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	<p><u>Records with regard to the establishment:</u></p> <ul style="list-style-type: none"> ▪ record on establishing and opening of the establishment (form 5); ▪ record on temporary opening or closing of the establishment (form 6); ▪ record on change of the employer (form 7); ▪ record on change of business (form 8); ▪ record on change of business place (form 9); ▪ record on change of manager (form 10). <p><u>Records with regard to the employees:</u></p> <ul style="list-style-type: none"> ▪ record on the daily attendance of the workers; ▪ record on accounts of payment of wages; ▪ accounts for each worker; ▪ records on appointment of new worker, causing the worker to change work, promotion, 			

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	<p>suspension, resignation from work, termination from work, removal and dismissal of a worker from work;</p> <ul style="list-style-type: none"> ▪ record book of employment injuries (rule 174(a) SRR - keep book for 5 years; rule 174(b)(iii) SSR). <p><u>Records with regard to contributions and benefits:</u></p> <ul style="list-style-type: none"> ▪ lists for monthly contributions to social security fund and employment injury benefit fund; ▪ list of the persons who have obtained the social security scrutiny card (form 11); ▪ record book for employment injury; ▪ lists of persons who have obtained social security and employment injury benefit (form 12). 			
3	<p>Attendance, working hours and overtime</p> <p>Regular working hours must not exceed 8 hours per day and 48 hours a week</p>	General compliance is monitored by the	See deadlines below concerning the various	Imprisonment of up to 3 months and/or a fine

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	<p>(section 11(a) SEL). A 30 minutes break must be given after 4 working hours (section 12(a) SEL).</p> <p>Work outside the regular working hours counts as overtime and must be compensated through payment of twice the basic salary (Rule 9 SER, Rule 42 PWR).</p> <p>Employees may not be requested to work more than 11 hours (including overtime and break time) a day (section 12(a) SEL).</p> <p>They may not be requested to perform more than 12 overtime hours per week (section 11(b) SEL).</p>	<p>FGLLID. The FGLLID is usually tipped off by aggrieved employees.</p>	<p>filings and forms with regard to attendance, working hours and holidays.</p>	<p>from MMK 1,000,000 to 3,000,000 for making employees work without or with insufficient breaks or for more than 11 hours per day (section 26 SEL)</p> <p>Imprisonment of up to 3 months and/or a fine for making employees work outside the regular working hours without their consent (section 39 ESDL) as this is a breach of the employment contract</p> <p>Imprisonment of up to 3 months and/or a fine from MMK 3,000,000 to 7,500,000 for failure to provide overtime pay (section 28 SEL)</p>
	<p>The SSR and SER provide for several forms in connection with attendance, working hours and overtime that employers have to use:</p>			<p>Fine from MMK 100,000</p>

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance	
	Sr. no.	Form description	Form no.	What to do with the form	<p>to 500,000 for failure to close after 11:00 pm or for opening before 5:00 am (section 25 SEL)</p> <p>Imprisonment of up to 3 months and/or fine from MMK 1,000,000 to 3,000,000 for operating an establishment around the clock for 24 hours without permission (section 26 SEL)</p> <p>Imprisonment of up to 3 months and/or fine from MMK 300,000 to 500,000 for failure to conspicuously display regular working hours or failure to keep forms for 12 months for inspection (section 30 SEL)</p>
(a)	Record of daily attendance (Rule 47(b)(i) SSR)	No form specified	Keep for an unspecified period of time		
(b)	Notice of regular working hours and weekly rest day (if there is no rotation or shift system) – Rule 7 SER	Form (4) SER	File with the FGLLID; display a copy of the notice conspicuously at the workplace; keep for 12 months		
(c)	Notice of regular working hours (if there is a rotation or shift system) – Rule 8 SER	Form (5) SER	File with the FGLLID; display a copy of the notice conspicuously at the workplace; keep for 12 months		
(d)	Overtime payment record (Rule 11 SER)	Form (6) SER	File with the FGLLID within 10 days after the payment		
(e)	Application for permission to keep an establishment running 24 hours around the clock	Form (7) SER	File with the FGLLID 7 days in advance; keep permission slip for 12 months		
(f)	Application for permission to do overtime (Rule 14 SER)	No specific form	File with the FGLLID – only required if the employer has more than 15 employees		
(g)	Attendance record (Rule 17 SER)	Form (9) SER	Keep for 12 months		

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance	
	(h)	Worker registration book (Rule 17 SER)	No specific form	Keep for 12 months	
	(i)	Overtime registration book (Rule 17 SER)	No specific form	Keep for 12 months	
4	Leave and holidays				
4.1	<p>Weekly rest day (with pay)</p> <p>The employer must designate a weekly rest day with pay (section 15 SEL; Rule 3 Leave and Holiday Rules “LHR”; Rule 43(g) MWR). This is usually Sunday.</p> <p>An employer requesting an employee to work on the designated weekly rest day (this is legally only possible with the agreement of the employee and, furthermore, in theory requires prior approval from the FGLLID, rule 9 LHR) must either (i) grant a day off instead within the three days preceding or succeeding the weekly rest day (rule 7 LHR) or (ii) pay twice the basic salary</p>	General compliance is monitored by the FGLLID	See deadlines below concerning the various filings and forms with regard to leave and holidays.	<p>Imprisonment of up to 3 months and/or fine from MMK 3,000,000 to 7,500,000 for failure to designate a weekly off-day (section 28 SEL)</p> <p>Imprisonment of up to 3 months and/or a fine of up to MMK 50,000 for making an employee work on a weekly rest day without his consent, or without approval from the FGLLID, or without granting another day off</p>	

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	<p>(“form (5)” LHR).</p> <p>This is the only instance where the law allows an employer to grant time off instead of making an overtime payment; all other cases of work outside the regular working hours or on a holiday require the employer to compensate the employee by paying twice the basic salary.</p>			<p>instead, or without paying overtime (section 14 Leave and Holidays Act “LHA”)</p>
4.2	<p>Gazetted holidays (with pay)</p> <p>Gazetted holidays must be granted with pay (section 3(1) LHA).</p> <p>If an employer requests an employee to work on a gazetted holiday (this is legally only possible with the agreement of the employee and, furthermore, theoretically requires prior approval from the FGLLID, Rule 17 LHR), the employer must compensate the employee by paying twice the basic salary (section 3(2) LHA).</p>	<p>General compliance is monitored by the FGLLID</p>	<p>See deadlines below concerning the various filings and forms with regard to leave and holidays.</p>	<p>Imprisonment of up to 3 months and/or a fine of up to MMK 50,000 for making an employee work on a weekly rest day without his consent, or without approval from the FGLLID, or without paying overtime (section 14 LHA)</p>
4.3	<p>Earned leave (with pay)</p> <p>An employee is entitled to “10 consecutive days” of earned leave with pay per year (section 4(1)(a) LHA). Weekly rest days and</p>	<p>General compliance is monitored by the FGLLID</p>	<p>See deadlines below concerning the various filings and forms with</p>	<p>Imprisonment of up to 3 months and/or a fine of up to MMK 50,000 for</p>

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	<p>gazetted holidays that fall within the 10 day period count as leave days (Rule 36 LHR).</p> <p>An employee is not entitled to earned leave during the first year of employment (section 4(2) LHA). However, in case of employment with a term of less than one year, the employee may take earned leave pro rata (section 8 LHA; Rule 34 LHR).</p> <p>The employer may deduct one day from the leave entitlement for each month during the preceding 12 month period in which the employee did not work for at least 20 days (section 4(2) LHA). For the purpose of this calculation, leave with pay and gazetted holidays count as working days (Rule 35 Leave and Holidays Rules).</p> <p>The employer may unilaterally designate the period during which the employee has to take earned leave (section 4(3) LHA).</p> <p>The employer must publicly post a “leave entitlement sheet” covering each employee within “three months starting from the last day of the previous 12 month</p>		<p>regard to leave and holidays.</p>	<p>failure to grant earned leave with pay as required by law, publicly post a “leave entitlement sheet”, buy up unused earned leave, or pay the leave salary in advance (section 14 LHA)</p>

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	<p>period” (Rule 37 LHR). As the “last day of the previous 12 month period” would be different for most employees, we think that for practical purposes it is also fine if the employer posts a leave entitlement sheet within, say, the first three months of the year.</p> <p>Unused earned leave may be carried forward for three years if employer and employee agree (section 4(3) LHA). We think that if employer and employee do not come to an agreement to carry forward unused earned leave, the unused earned leave would not lapse; rather, the employer would have to pay one day of basic salary to the employee for each unused leave day.</p> <p>In any case, the employer has to pay one day of basic salary for each unused leave day if the employee resigns, is terminated or dies (section 4(5) LHA).</p> <p>Employees who have been granted earned leave are entitled to receive their salary for the leave period in advance (section 4(4)</p>			

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	LHA).			
4.4	<p>Casual leave (with pay)</p> <p>An employee is entitled to six days of casual leave – the background of this leave entitlement is that the employee should be able to deal with bereavements, emergencies and other urgent and unforeseen matters – with pay per year (section 5(1) LHA).</p> <p>In principle, the employee must not request more than three consecutive days at once, but the employer has the discretion to grant more if the employee asks “with good reason” (Rule 29 LHR).</p> <p>Casual leave not taken is not carried forward and the employer is not obliged to make a monetary compensation for casual leave that was not taken (section 5(3) LHA).</p>	General compliance is monitored by the FGLLID	See deadlines below concerning the various filings and forms with regard to leave and holidays.	Imprisonment of up to 3 months and/or a fine of up to MMK 50,000 for failure to grant casual leave with pay as required by law (section 14 LHA)
4.5	<p>Leave on medical certificate</p> <p>An employee is entitled to up to 26 weeks of leave on medical certificate (section 23(a) Social Security Law “SSL”; rule 91(c)</p>	Application for cash benefits to be filed with the Township Social	Application for the cash benefits to be filed at the latest 3 months after the	Imprisonment of up to 3 months and/or a fine of up to MMK 50,000 for

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	<p>Social Security Rules “SSR”).</p> <p>The financial needs of the sick employee during this period are covered by the Social Security Board which pays 60% of the average salary of the previous 4 months as cash benefits (section 23(a) SSL). The employer is NOT obliged to top up this payment.</p>	<p>Security Office by the employee or through the employer with the following forms (rule 113(a)SSR): (i) medical certificate (form “Hsa-1”); (ii) claim for benefit relating to sickness (form 15); (iii) recommendation from employer (form 16)</p>	<p>expiry of the leave period specified in the medical certificate (rule 113(b) SSR).</p>	<p>suspending or relocating an employee on sick leave or reducing his salary (rule 50(g) LHR, section 14 LHA)</p>
4.6	<p>Maternity leave if a child is born</p> <p>The employer has to grant 14 weeks (6 weeks prior to and 8 weeks after confinement) of maternity leave to an insured female employee (section 25(c) SSL).</p> <p>If twins are born, the maternity leave period is 20 weeks (6 weeks prior to giving birth and 12 weeks after confinement); section 25(c) SSL.</p> <p>The Social Security Board pays, to an insured female employee, 70% of the average salary of the previous 12 months</p>	<p>Application for maternity cash benefits to be filed with the TSSO by the employee or through the employer with the following forms (rule 122(a)SSR): (i) medical certificate (form “Hsa-2”); (ii) birth certificate; (iii) claim for maternity benefit (form 17); (iii) recommendation from employer (form 18)</p>	<p>Application for the cash benefits to be filed at the latest 3 months after the expiry of the leave period specified in the medical certificate (rule 122(c) SSR).</p>	<p>Imprisonment of up to 3 months and/or a fine of up to MMK 50,000 for suspending, terminating or relocating a female employee on maternity leave or reducing her salary (rule 50(g) LHR, section 14 LHA)</p>

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	<p>during the maternity leave period and a one-off allowance of 50% (single child), 75% (twins) or 100% (triplets) of a month's salary (section 27(a), (b) SSL).</p> <p>Rule 121 SSR suggests that the employer has to top up the maternity cash benefits paid by the Social Security Board so that the employee receives 100% of the salary during the maternity leave period as provided for by section 7A LHA.</p> <p>The SSL/SSR furthermore provide for maternity leave in case of a miscarriage and maternity leave if a young child is adopted; these leave entitlements are not discussed in this memo as they are quite special.</p>			
4.7	<p>Paternity leave</p> <p>The employer has to grant 15 days of paternity leave to a male employee if his wife has given birth (rule 119(b) SSR).</p> <p>The Social Security Board pays, to the insured male employee, 70% of the average salary of the previous 12 months during the paternity leave period (rule</p>	<p>Application for paternity cash benefits to be filed with the TSSO by the employee or through the employer with the following forms (rule 122(b)SSR): (i) medical</p>	<p>Application for the cash benefits to be filed at the latest 3 months after the expiry of the leave period specified in the medical certificate (rule 122(c) SSR).</p>	<p>The law does not seem to specify any penalty for suspending, terminating or relocating a male employee on paternity leave or reducing her salary.</p>

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance																
	<p>120(a) SSR) and, if his wife is uninsured, a one-off allowance of 25% (single child), 37.5% (twins) or 50% (triplets) of a month's salary (rule 120(c) SSR).</p> <p>The employer is NOT obliged to top up the male employee's salary if the employee takes paternity leave.</p>	<p>certificate (form "Hsa-2"); (ii) birth certificate; (iii) claim for paternity benefit (form 19); (iii) recommendation from employer (form 20)</p>																		
4.8	<p>Forms</p> <p>The LHR, SER and SSR provide for the following forms in connection with leave and holidays which employers have to use:</p> <table border="1" data-bbox="407 818 1579 1421"> <thead> <tr> <th data-bbox="407 818 525 889">Sr. no.</th> <th data-bbox="525 818 1087 889">Form description</th> <th data-bbox="1087 818 1234 889">Form no.</th> <th data-bbox="1234 818 1579 889">What to do with the form</th> </tr> </thead> <tbody> <tr> <td data-bbox="407 889 525 1120">(a)</td> <td data-bbox="525 889 1087 1120">Notice of regular working hours and weekly rest day (if there is no rotation or shift system) – Rule 7 SER</td> <td data-bbox="1087 889 1234 1120">Form (4) SER</td> <td data-bbox="1234 889 1579 1120">File with the Factories and FGLLID; display a copy of the notice conspicuously at the workplace; keep for 12 months</td> </tr> <tr> <td data-bbox="407 1120 525 1351">(b)</td> <td data-bbox="525 1120 1087 1351">Leave request form (Rules 49(a), 50(h) LHR)</td> <td data-bbox="1087 1120 1234 1351">Form (1) LHR</td> <td data-bbox="1234 1120 1579 1351">To be used by an employee when requesting any type of leave; employer to keep for 12 months</td> </tr> <tr> <td data-bbox="407 1351 525 1421">(c)</td> <td data-bbox="525 1351 1087 1421">Record of salary payments for gazetted</td> <td data-bbox="1087 1351 1234 1421">Form (2)</td> <td data-bbox="1234 1351 1579 1421">Fill in monthly and keep</td> </tr> </tbody> </table>			Sr. no.	Form description	Form no.	What to do with the form	(a)	Notice of regular working hours and weekly rest day (if there is no rotation or shift system) – Rule 7 SER	Form (4) SER	File with the Factories and FGLLID; display a copy of the notice conspicuously at the workplace; keep for 12 months	(b)	Leave request form (Rules 49(a), 50(h) LHR)	Form (1) LHR	To be used by an employee when requesting any type of leave; employer to keep for 12 months	(c)	Record of salary payments for gazetted	Form (2)	Fill in monthly and keep	<p>Imprisonment of up to 3 months and/or a fine of up to MMK 50,000 for failure to keep forms or records required to be kept by the LHR (section 14 LHA)</p>
Sr. no.	Form description	Form no.	What to do with the form																	
(a)	Notice of regular working hours and weekly rest day (if there is no rotation or shift system) – Rule 7 SER	Form (4) SER	File with the Factories and FGLLID; display a copy of the notice conspicuously at the workplace; keep for 12 months																	
(b)	Leave request form (Rules 49(a), 50(h) LHR)	Form (1) LHR	To be used by an employee when requesting any type of leave; employer to keep for 12 months																	
(c)	Record of salary payments for gazetted	Form (2)	Fill in monthly and keep																	

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	holidays (Rule 50(h) LHR)	LHR	for 12 months	
(d)	Agreement with employee to work on a gazetted holiday (Rule 17 LHR)	No specific form	Obtain from employee prior to gazetted holiday on which the employee is supposed to work	
(e)	Application to be allowed to ask employees to work on a gazetted holiday (Rules 17, 18, 50(j) LHR)	Form (8) LHR	File with FGLLID at least 24 hours prior to the gazetted holiday; post on the workplace's notice board	
(f)	Record of doubled salary payments for work performed on gazetted holidays (Rule 50(h) LHR)	Form (3) LHR	Fill in monthly and keep for 12 months	
(g)	Record of salary payments for weekly rest day (Rules 15, 50(h) LHR)	Form (4) LHR	Fill in monthly and keep for 12 months	
(h)	Agreement with employee to work on a weekly rest day (Rule 9 LHR)	No specific form	Obtain from employee prior to the weekly rest day on which the employee is supposed to work	
(i)	Application to be allowed to ask employees to work on a weekly rest day (Rules 9, 10)	No specific	File with the FGLLID at least 24 hours prior to the weekly rest day; post on	

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	LHR)	form	the workplace's notice board	
(j)	Record of doubled salary payments for work performed on weekly rest days (Rule 50(h) LHR)	Form (5) LHR	Fill in monthly and keep for 12 months	
(k)	"Earned leave entitlement sheet" (Rule 37 LHR)	No specific form	Post publicly at the workplace within three months after the end of the previous 12 month period (in practice, we think that employers would publish this sheet within the first 3 months of the year or another uniform period)	
(l)	Record of salary payments for earned leave days (Rule 50(h) LHR)	Form (6) LHR	Fill in monthly and keep for 12 months	
(m)	Table in which the casual leave, earned leave, leave on medical certificate and maternity leave (days taken and remaining days) are broken down by employee (Rule 50(i))	Form (7) LHR	File with the FGLLID not later than on the 7 th day of the month	
(n)	Medical certificate (form "Hsa-2"); Rule	Form (Has-2)	File with the TSSO at the latest 3 months after the	

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	<p>122(a),(b) SSR</p> <p>(o) Claim for maternity benefit (form 17); Rule 122(a) SSR</p> <p>(p) Recommendation from employer for maternity benefit (form 18); Rule 122(a) SSR</p> <p>(q) Claim for paternity benefit (form 19); Rule 122(b) SSR</p> <p>(r) Recommendation from employer for paternity benefit (form 20); Rule 122(b) SSR</p> <p>(s) List of persons who have obtained social security and employment injury benefits (form 12); Rule 47(c)(iv)</p>	<p>SSR</p> <p>Form (17) SSR</p> <p>Form (18) SSR</p> <p>Form (19) SSR</p> <p>Form (20) SSR</p> <p>Form (12) SSR</p>	<p>expiry of the leave period specified in the medical certificate to claim maternity or paternity cash benefits (rule 122(c) SSR).</p> <p>Keep for an unspecified period of time</p>	
5	<p>Employment injury</p> <ul style="list-style-type: none"> ▪ Notify TSSO immediately in case of death or serious injury (rule 175(a) SSR); ▪ report to TSSO within 24 hours with form 37 in triplicate (rule 175(a) SSR); ▪ fill in form 36 and keep in employment injury book (rule 174(b)(i) SSR); ▪ keep employment injury book for 5 years since first entry (rule 174(b)(iii)) 	TSSO	See timelines in the first column	Imprisonment up to 3 months and/or fine for failure to inform the TSSO of an employment injury (section 94(d) SSL)

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	SSR.			

D. The employment relationship ends

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
1	<p>Notifying the authorities of the end of the employment relationship (end of the contract period; resignation; dismissal; retirement; death)</p> <ul style="list-style-type: none"> ▪ Notifying the FGLLID with form (2) SER “notice of the movement, change, expansion or transfer of a shop or establishment or the appointment or change of employees” and keeping a copy of the form for 12 months (rule 4 SER) ▪ Notifying the TSSO in writing (rule 43 SSR) 	FGLLID; TSSO	FGLLID and TSSO to be notified within 10 days after the event (rule 4 SER; rule 43 SSO)	<p>Imprisonment of up to 3 months and/or a fine from Ks. 300,000 to 500,000 for failure to keep required SER forms for inspection (section 30 SEL)</p> <p>Imprisonment of up to 3 months and/or fine for failure to notify the TSSO (section 94(d) SSL)</p>
2	<p>Payment of severance allowance</p> <p>The employer has to pay severance</p>	As labour arbitration for	The law does not	The law does not seem to specify a penalty for

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance																						
	<p>allowance according to Ministry of Labour, Employment and Social Security Notification No. 84/2015 if the employment ends because the employer (i) did not want to renew a fixed-term contract or (ii) dismissed the employee, unless the employee either committed a grave offence or repeated committing an ordinary offence in spite of having been warned three times. The amount of the severance allowance is as follows:</p> <table border="1" data-bbox="407 776 915 1286"> <thead> <tr> <th data-bbox="407 776 659 862">Employment period</th> <th data-bbox="659 776 915 862">Allowance = basic salary for ...</th> </tr> </thead> <tbody> <tr> <td data-bbox="407 862 659 902">6 months - 1 year</td> <td data-bbox="659 862 915 902">1/2 month</td> </tr> <tr> <td data-bbox="407 902 659 943">1 - 2 years</td> <td data-bbox="659 902 915 943">1 month</td> </tr> <tr> <td data-bbox="407 943 659 984">2 - 3 years</td> <td data-bbox="659 943 915 984">1 1/2 months</td> </tr> <tr> <td data-bbox="407 984 659 1024">3 - 4 years</td> <td data-bbox="659 984 915 1024">3 months</td> </tr> <tr> <td data-bbox="407 1024 659 1065">4 - 6 years</td> <td data-bbox="659 1024 915 1065">4 months</td> </tr> <tr> <td data-bbox="407 1065 659 1105">6 - 8 years</td> <td data-bbox="659 1065 915 1105">5 months</td> </tr> <tr> <td data-bbox="407 1105 659 1146">8 - 10 years</td> <td data-bbox="659 1105 915 1146">6 months</td> </tr> <tr> <td data-bbox="407 1146 659 1187">10 - 20 years</td> <td data-bbox="659 1146 915 1187">8 months</td> </tr> <tr> <td data-bbox="407 1187 659 1227">20 - 25 years</td> <td data-bbox="659 1187 915 1227">10 months</td> </tr> <tr> <td data-bbox="407 1227 659 1286">25+ years</td> <td data-bbox="659 1227 915 1286">13 months</td> </tr> </tbody> </table>	Employment period	Allowance = basic salary for ...	6 months - 1 year	1/2 month	1 - 2 years	1 month	2 - 3 years	1 1/2 months	3 - 4 years	3 months	4 - 6 years	4 months	6 - 8 years	5 months	8 - 10 years	6 months	10 - 20 years	8 months	20 - 25 years	10 months	25+ years	13 months	<p>individual disputes was finally shut down with an amendment to the SLDL on 3rd June 2019, the employee nowadays has to take most grievances in connection with termination (such as a failure on the part of the employer to pay severance allowance) to the ordinary courts.</p>	<p>explicitly specify when the severance allowance has to be paid. We would say it has to be paid within 2 days after the end of the employment, in analogy to section 4(d) PWL.</p>	<p>failure to pay severance allowance.</p>
Employment period	Allowance = basic salary for ...																									
6 months - 1 year	1/2 month																									
1 - 2 years	1 month																									
2 - 3 years	1 1/2 months																									
3 - 4 years	3 months																									
4 - 6 years	4 months																									
6 - 8 years	5 months																									
8 - 10 years	6 months																									
10 - 20 years	8 months																									
20 - 25 years	10 months																									
25+ years	13 months																									
3	Assistance with claiming funeral																									

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	<p>allowance if the employee dies</p> <ul style="list-style-type: none"> ▪ Employer or survivor to inform the TSSO of the death within 24 hours (rule 127 SSR) ▪ Employer to provide “form 22” to the survivor so that he or she can claim funeral allowance from the TSSO (rule 128 SSR) 	TSSO	The survivor has to claim the funeral allowance from the TSSO within 3 months after the death (rule 128 SSR), so the employer would have to provide form 22 within this 3 month period with sufficient lead time to allow the survivor to file the application in time.	The law does not seem to specify any penalty for failure to assist the survivor with claiming the funeral allowance. Theoretically, the survivor could sue the employer in an ordinary court for the amount of the funeral allowance as damages if he or she failed to obtain the allowance due to a fault of the employer.

E. Workplace coordinating committee

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
1	In workplaces with more than 30 (Myanmar) employees, an employer is supposed to set up a so-called “workplace coordinating committee” composed of (i) 3 members nominated by the labour union	Township Conciliation Body	The law does not specify any deadlines by which the workplace coordinating committee has to be set up. Once it	Fine from MMK 300,000 to 1,000,000 for failure to set up a workplace coordinating committee (section 46(a) SLDL).

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	<p>(if there is a union in the enterprise) or 3 members elected by the workforce (if there is no union in the enterprise) and (ii) 3 representatives from the employer’s side (section 3 Settlement of Labour Disputes Law “SLDL”).</p> <p><i>Remark:</i></p> <p>The workplace coordinating committee is supposed to try to negotiate a solution if there is a collective dispute (section 6(a) SLDL). If this fails, either side may take the dispute to the Township Conciliation Body (section 9(b) SLDL) which shall refer it to the Regional or State Arbitration Body if no settlement is reached (section 25 SLDL).</p> <p>A party not satisfied with the decision of the Regional or State Arbitration Body may legally call a strike (employees) or lock out the workforce (employer) or, alternatively, take the case to the Arbitration Council in Nay Pyi Taw (section 28 SLDL).</p> <p>An employee with an individual dispute may, but is not obliged to, bring it before the workplace coordinating committee</p>		<p>is established, the employer has to notify the Township Conciliation Body of its composition with form (1) within 14 days (rule 6 Settlement of Labour Dispute Rules)</p>	<p>However, realistically, one would not expect an employer to be sentenced unless workers in the enterprise wanted to set up a workplace coordinating committee and the employer did not cooperate.</p>

Sr. no.	Obligation	Which authority?	When?	Potential penalty for non-compliance
	before seizing the competent labour authorities or the courts (sections 6(a), 12(b) SLDL).			

- Up-to-date as of 24th May 2022.
- COVID-19 related exemptions are not included as they are temporary in nature.
- Links provided are to English translations of laws for the benefit of readers who are not conversant in the Myanmar language. These English translations may not (i) be accurate and (ii) reflect recent amendments to the respective law. Recent amendments are, however, reflected in our comments.