



**Dear Readers,**

Welcome to a new edition of our newsletter - this time just a few lines to make you aware of the following:

**1. Exemption from compulsory conversion for foreign-invested DICA companies official**

As was already reported in the foreign press (and our last newsletter), the Central Bank of Myanmar (“**CBM**”) held a meeting on 7<sup>th</sup> June 2022 with commercial banks of which one of the topics was the exemption of basically all foreign-invested companies from compulsory conversion.

This exemption now seems to be official:

The CBM released the meeting minutes (dated 16<sup>th</sup> June 2022; please find an [English translation](#) on our homepage) to the banks, asking them to comply with “the decisions”, according to which companies registered with DICA with “10% or more foreign investment” are exempt from compulsory conversion.

From our reading of the meeting minutes, banks had two days, until 10<sup>th</sup> June 2022, to compile lists of exempted companies and non-exempted companies and their account balances.

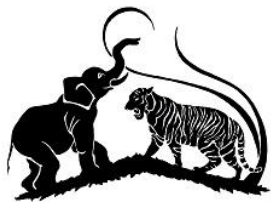
If you feel that you should be on one or the other list, but are not sure, you may wish to contact your bank.

**2. New UK sanctions**

On 16<sup>th</sup> June 2022, the [UK announced](#) sanctions against three Myanmar and three Russian entities for their alleged role in supplying aircraft parts to the Tatmadaw.

This is noteworthy as, at least to our knowledge, this is the first time since the military take-over that sanction-imposing jurisdictions have targeted non-Myanmar entities (although “Russia” is probably a bit of a special case).

Furthermore, it should serve as a reminder that the UK in a sanctions context is not only England, Wales, Scotland and Northern Ireland, but also smaller islands near to, or far from, the motherland:



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Offshore havens such as the British Virgin Islands or the Bermudas often serve as a conduit for investments in all sorts of jurisdictions, among them Myanmar, and they all adopt British sanctions policies.

We should like to take this opportunity to direct our readers again to our [sanctions primer](#) which covers all jurisdictions that have (to the extent that we know) imposed Myanmar-related economic sanctions and answer questions such as:

- We are from Asia, how can we possibly become entangled in these Western sanctions?
- Can we receive a license from, or pay a license fee to, a government department that itself is not sanctioned (such as the MIC), but headed by a sanctioned individual (such as the MIC chairman)?
- Can we sell goods or services to a government department that itself is not sanctioned, but headed by a sanctioned individual?
- Can we sell to, or procure from, a private business that has some exposure (e.g., rents land or office space from MEHL)?
- Can we pay taxes to Myanmar's IRD, which is overseen by the (sanctioned) finance minister?
- Can our subsidiary do what is prohibited to our headquarters?
- What to do to mitigate potential exposure?

### 3. Yetagun

According to independent press, the operation of the Yetagun gas field (which is nearing the end of its commercial life) is going to be taken over by [Northern Gulf Petroleum Group](#) from Thailand, after a hasty (judging by the tender deadlines) search for a new operator after Petronas's withdrawal. Not selected were, it seems, CNPC and two allegedly well-connected Myanmar companies.

### 4. Solar tender

The Ministry of Electric Power wishes to make interested parties aware of a [solar tender](#). The sites are not mentioned, but *Myanmar Energy Monitor* reports that the tender includes six



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projects with a total capacity of 260MW in Mandalay, Bago and Ayeyarwaddy. The deadline for submitting bids is 15<sup>th</sup> August 2022.

We hope that you have found this information useful.

Sebastian Pawlita  
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Director

### 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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