



# LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

## NEWSLETTER 97 - 16 September 2022

**Dear Readers,**

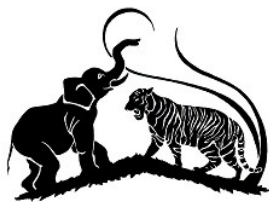
Welcome to a new edition of our newsletter.

### **1. IMPORTANT: New rules for visa extensions**

Foreigners wishing to extend a business visa in the country require a recommendation letter from the Directorate of Investment and Company Administration (“DICA”) (or from the Myanmar Investment Commission or the one-stop service centre at the Thilawa SEZ Management Committee, if the company sponsoring the visa has an investment permit or endorsement).

On 14 September 2022, DICA published [new requirements](#), effective immediately, for obtaining this recommendation letter. There are the following important changes:

- A company must have been registered for at least 1 year prior to being eligible for sponsoring a visa;
- there is now a waiting period of 1 year before a company suspended for having failed to file its annual return in time may again sponsor a visa;
- the application has to be filed 90-120 days prior to the expiry of the visa;
- the company must present tax returns or audit reports for financial years 2020-21, 2021-2022 (the 6 months “mini-budget period”) and 2022-23 (which ends on 31 March 2023, so this is presumably not yet relevant);
- DICA must be informed about any change of address of the foreigner;
- subsequent extensions require proof of personal income tax payment on the part of the foreigner (this isn’t new, but worth bearing in mind), presumably, as previously, with the exception of foreigners who are shareholders as dividend income is not subject to personal income tax;
- applicants have to provide the number of employees in the company, broken down between foreigners and Myanmar nationals, and include (and this is new) the respective employee’s name, passport number or national registration card number, and phone number.



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DICA's text is silent on whether there are any changes for branches and representative offices sponsoring visas, but we suppose that the requirements are similar or will be made similar soon.

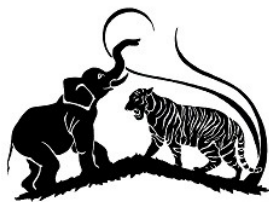
### 2. Consequences of failure to file a company's annual return on time

In addition to not being able to sponsor a visa during a one-year waiting period, directors and shareholders of companies (there is no information about branches) suspended or struck off for failure to have submitted the company's annual return on time may not incorporate a new company, unless the suspension is lifted or the company is reinstated.

This was first reported by local consultancy firm Myanmar Enterprise Solutions and has since been [picked up by the Global New Light of Myanmar](#). The article notes that "there is no certainty whether directors and shareholders of the companies that have been struck off the register are blacklisted or not".

In order to lift a suspension, a late fee and a company restoration fee has to be paid to DICA (see the following table). A company that has been struck off may only be reinstated by a court order.

Sr.	Element	Company	Branch
1	Annual return due date	<ul style="list-style-type: none"><li>First annual return: Within 2 months after incorporation</li><li>Subsequent annual returns: Within 1 month after incorporation anniversary</li></ul>	Within 28 days after the end of the financial year of the headquarters
2	Due date for filing financial statements of the headquarters	Filing not required	In practice within 12 months after the end of the financial year of the headquarters
3	Filing fee annual return	MMK 50,000	MMK 50,000
4	Filing fee financial statements of the headquarters	N/A	Free
5	Late fee	MMK 100,000	<ul style="list-style-type: none"><li>Up to 90 days: MMK 25,000</li><li>91-180 days: MMK 50,000</li></ul>



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Sr.	Element	Company	Branch
			▪ More than 180 days: MMK 100,000
6	Company restoration fee	MMK 100,000 (to be paid in addition to the late fee if the annual return is filed more than 28 days after due date)	N/A

In light of these developments, investors wishing to close their business are advised not to simply wait until DICA strikes off the company from the register (it appears that DICA so far has only done this anyway with companies that had no foreign shareholders), but to properly wind up their company according to the procedures provided by the Insolvency Law or deregister their branch.

### 3. **Foreigners eligible to purchase land in Thailand for management and staff residences**

Our readers interested in setting up a business in Thailand are probably already aware of this, but we should still like to point out that Thailand's Board of Investment (BOI) [released new rules on 25 August 2022](#) allowing foreign investors investing substantial amounts to purchase land outside of the business premises in order to build residences for their management and staff.

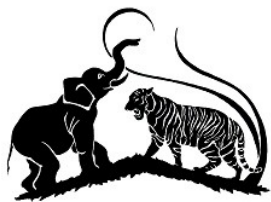
Furthermore, with effect 1 September 2022, Thailand introduced a new long-term resident visa for wealthy individuals, retirees, work-from-Thailand professionals, and highly skilled professionals.

If you are interested in setting up a business in Thailand, opening a bank account, invest in land, or are otherwise interested in the country, please contact [info@lincolnmyanmar.com](mailto:info@lincolnmyanmar.com).

We hope that you have found this information useful.

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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