



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED



ONLINE SALES BUSINESS REGISTRATION ORDER

15 August 2023

**TARGETED AND COVERED BUSINESSES,
AND THOSE THAT ARE NOT**



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History

- **May 2020:** Draft “E-Commerce Operation Guidelines”
- **10 July 2020:** Draft “E-Commerce (Online Shop) Registration Procedures”
 - Registration voluntary, to promote registered businesses over informal businesses on social media
- **4 July 2023:** “Business of online sales = essential service business” under the Essential Supplies and Services Law 2012



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History

- **21 July 2023:** 3 notifications, among them the “Online Sales Business Registration Order”
 - Registration compulsory
 - Deadline: 21 January 2024 (6 months after promulgation)
 - Unregistered operators face 6 months to 3 years imprisonment + MMK 500,000 fine after the deadline
 - Forms/fees not yet published (“within August”)



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Background (officially)

“Most of the purchases and sales are done on social media such as Facebook and TikTok. Some use apps to purchase and sell. [...] Some of the goods shown in the sample are completely different from the goods that arrived. Bad quality. Gap between ideal and reality. After paying some money, the goods did not arrive. Some were cheated. Some artists and manufacturers of goods had their intellectual property rights infringed. At the Department of Consumer Affairs, complaints from victims of online sales are piling up.”

U Aung Naing Oo, quoted on 24 July 2023 in NP News



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Definition of “online sales business”

“**Online sales business**’ means a business providing goods or services through an online system.”



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Businesses that are likely targets

The screenshot shows a Facebook page for a business named 'Taungoo'. The page has 25K likes and 31K followers. The 'Intro' section describes the business as 'BKK T shirts Thailand made 100% cotton တီရှပ်ပြောင် အမျိုးအ?' and lists details like 'Page · Shopping & retail', 'Taungoo, Taungoo, Myanmar', 'Always open', and a 'Rating · 5.0 (202 reviews)'. The 'Featured' section contains a post from 'Taungoo' dated '6 June 2023'. The post text, which is circled in red, reads: '✓ တောင်ငူမြို့ မလွဲ၍ ကျန်မြို့များ ကားဂိတ်/အိမ်အရောက် Deli Service ရှိပါ တယ်နော် Cash on Deli မရသေးပါ ငွေကြိုလွှဲရပါမယ်ရှင်'.

Towns other than Taungoo have delivery service at the bus station or home. Cash on delivery is not yet available. You have to transfer money in advance.



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Businesses that are likely targets

IMPORTANT - ငွေလွှဲစဉ် NOTES တွင် [REDACTED] ORDER NO # ထည့်ရေးပေးပါရန် မေတ္တာရပ်ခံအပ်ပါသည်။

ငွေလွှဲရန် ဘဏ်အကောင့်အချက်အလက်များ

KBZ ACCOUNT NAME: [REDACTED] **Pay 100% in advance if you order for less than MMK 100,000, otherwise pay 70% deposit**

KBZ ACCOUNT NUMBER: [REDACTED]

သို့

KBZ PAY ACCOUNT NAME: DAW [REDACTED] **Individual bank accounts**

KBZ PAY ACCOUNT NUMBER: [REDACTED] အကြောင်း

သို့

AYA ACCOUNT NAME: DAW [REDACTED] ပြည်ပ Online Stores မှ ပစ္စည်းများကို ဈေးနှုန်းချိုသာပြီး လွယ်ကူစွာဝယ်ယူနိုင်ရန် လူကြီးမင်းတို့ကိုယ်စားဝယ်ယူပေးပြီး အိမ်တိုင်ရာရောက်ပို့ပေးသောဝန်ဆောင်မှုကိုပေးခြင်း ဖြစ်ပါသည်။

AYA ACCOUNT NUMBER: [REDACTED] သည် လွယ်ကူ သက်သာစွာ ဈေးဝယ်နိုင်သည့်အပြင် အသက်သာဆုံးသောဈေးနှုန်းများဖြင့် ဝယ်ယူနိုင်သောဝန်ဆောင်မှုပေးရန်ဆုံးဖြတ်ထားပါသည်။ ထို့အပြင် အော်ဒါများကို လုံခြုံမြန်ဆန်စွာဆောင်ရွက်ပေးပါသည်။

ကျေးဇူးပြု၍ ငွေလွှဲထားသော ဘဏ်စလစ် [REDACTED] သို့ပို့ပြီးအကြောင်းကြားပေး

Send screenshot of payment slip by Facebook or Viber

"In order to easily purchase items from foreign online stores at a low price, we offer the service of purchasing items on your behalf and delivering them to your home."



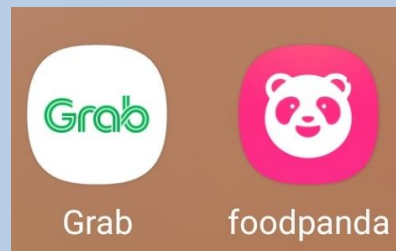
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Businesses that are likely covered

Online shops (and banks)



Mobile apps



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Businesses that are likely covered

Online platform, seller on an online platform

The screenshot shows the Shop platform interface. At the top, there's a navigation bar with links like 'SAVE MORE ON APP', 'SELL ON SHOP', 'CUSTOMER CARE', 'TRACK MY ORDER', 'LOGIN', and 'SIGN UP'. Below this is the Shop logo and a search bar. A red arrow points to the word 'Seller' in the header area. The main content area displays the seller profile for 'Adept_Y', which includes a storefront icon, the seller name, '1232 Followers', and '77% Positive Seller Ratings'. There are also buttons for 'Chat Now' and 'FOLLOW'. Below the profile, there are three product listings: a grey hoodie, a red watch, and a black BTS t-shirt.



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Businesses that are likely not covered

Businesses that advertise their goods/services on their website

The screenshot displays the website for Lincoln Legal Services (Myanmar) Limited. At the top left is the logo featuring a tiger and a monkey. The header includes the company name, opening hours (9:00 am - 5:30 pm), a call number (+95-9-262546284), and an email address (info@lincolnmyanmar.com). A navigation menu on the left lists: Home, Our Firm, Legal, Tax and Compliance, Team, Newsletter, Track Record, Presentations, Laws in English, Upcoming Seminars, Vacancies, and Contact. The main content area features a 'Photos' gallery with items like 'Missy Linen Shirt', 'Baseball Cap', 'Flannel Shirt', 'Gotton Crop Top', 'Polo Shirt', 'Men's Trunks', 'Chiffon Blouse', and 'Gotton Shirty Pants'. A social media post from 'Victor Soul' (21h) advertises a 'Missy Linen Shirt in 6 different colors' as a 'New Arrival' with code 200814, price 20,000 MMK, and sizes M, L, XL, XXL. The post includes Burmese text: 'လက်လီ ၊ လက်ကား များလည်း ဝယ်ယူရရှိနိုင်ပါသည်။' and a 'See translation' link. Below the post is a Missy brand advertisement for a 'Linen Shirt' with code 200814 / M, L, XL, XXL and a price tag of 20,000 MMK, featuring a woman wearing the shirt.



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APPLICATION AND SUCCESSFUL APPLICANTS



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Application: Eligibility criteria

- **Entity:**
 - Registered under Myanmar Companies Law, Special Company Act, Cooperative Society Law, other law
 - Having an “official website under its own name”
 - “able to show the place where the online sales business is conducted”
 - having one person responsible for the online business who is a Myanmar national



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Application: Eligibility criteria

- **Individual:**
 - Myanmar national residing in Myanmar, 18+
 - “able, not careless, not blacklisted”
 - “able to show the place where the online sales business is conducted”
 - (note that “an official website under the person’s own name” is not required)



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Application: Important required documents

- **Confirmation from government department/organisation or ward or village tract administrator of physical business location**
- **List of the types of goods or services to be sold; information and guarantees related to such goods/ services**
- **Country of origin of the goods**
- **Evidence (if any) that a relevant government department or government organisation approved the goods or services**



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Application: Material review and timeline

- Ground check (but see timeline)
- Goods or services unsafe to individuals or the public?
- Information and guarantee not understandable or not correct?
- Goods or services lack permission (e.g., license) for sale, or their sale is prohibited?
- **Timeline:** “A few hours” (U Aung Naing Oo, quoted in NP News on 24 July 2023)



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Validity, amendment; administrative action

- **Validity of the registration: 2 years**; renewal application to be filed **60 days before expiry**
- Application for registration of an amendment to be filed whenever information about the goods or services or other things included in the original application change
- **Administrative action:** Suspension; cancellation; notifying other government departments of acts of non-compliance



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Duties and rights of a registration certificate holder

Many (15) duties and few (5) rights. Among them:

- **Shall provide a sales receipt**
- **Shall provide understandable and correct information and guarantees**
- **Shall ensure that the goods or services sold are of a quality that matches their price**



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Duties and rights of a registration certificate holder

- Shall determine the conditions and the period of time during which goods sold may be returned if a consumer wishes to return them for non-conformity with the information and guarantees provided, and shall implement what has been so determined
- Shall refrain from selling goods or services that were not in the list submitted in the application for the registration certificate



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Duties and rights of a registration certificate holder

- Shall provide understandable and correct information regarding the means by which the consumer shall pay
- Shall, before the sale, inform the consumer in advance of the method and terms of delivery of the goods, allow the consumer to choose, and deliver the goods accordingly
- Shall keep confidential a consumer's personal information or information that the consumer does not wish to be disclosed, unless disclosure is required by law or according to the instructions of a government department or government organisation



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Duties and rights of a registration certificate holder

- Shall neither directly nor indirectly transfer the registration certificate to someone else.
- Shall strictly comply with the regimen and specifications set by the relevant government department or government organisation concerning food, pharmaceuticals, medical devices or cosmetics.



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ONLINE SALE OF REGULATED GOODS



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Tobacco products




Online sale not legally possible





(Section 11(g) Control of Smoking and Consumption of Tobacco Product Law prohibits the “promotion of the wide distribution and sale of tobacco and tobacco products”)



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Liquor

Search in Shop    GET 2,000 KS NOW
DOWNLOAD APP

			
Acorns White label Damson Wine 750ml Ks 11,000	Red Wine Merlot Australia 2019 Yellow Tail (750 ml) Ks 25,000	Mont Clair Red Wine 3L Ks 44,000	Full Moon Wine Rose (275ML) (1 pcs) Ks 2,725
Myanmar [Burma]	★★★★★ (3) Myanmar [Burma]	Myanmar [Burma]	★★★★★ (3) Myanmar [Burma]



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Liquor

- **FL 12 license**
- Advertising prohibited? (“No advertisements in radio, TV, newspapers, journals, magazines, edited internet magazines that encourage alcohol consumption,” para. 10 of a 2014 Ministry of Information draft of “Advertisement Policies for Socially Responsible Media”)
- No sale to persons < 18 (s. 40(1)(a) Excise Law)
- Limits for transport w/o transport pass? (r. 124A Excise Rules)



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Mobile phones

Dealer and demonstration license from the Department of Communications, Ministry of Transport and Communications

(Union Government Notification 2/2023 allows “citizen-owned companies that are registered under the Myanmar Companies Act and that have legal foreign currency to engage in the business of importing from abroad and selling in accordance with the terms and conditions set by the Ministry of Communications, Posts and Telegraphs from time to time automatic telephones, radiotelephones, mobile telephones and accessories”)



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(Fresh) food

Various licenses required, e.g.,

- no-objection letter from the municipal veterinary and meat production department for the slicing, cutting and packaging of fresh meat;
- township development committee license for the sale of each fresh meat type (pork, beef, chicken);
- municipal food license and municipal health recommendation letter for food production (e.g., bakery);
- FDA recommendation for food production



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Pharmaceuticals and cosmetics

- **Pharmaceuticals:**

- Pharmacy license from the Department of Public Health (township level) under the Ministry of Health
- Pharmaceuticals need FDA certificate

- **Cosmetics:**

- No specific license
- Cosmetics need FDA certificate



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PAYMENT

Select Payment Method



Credit/Debit Card
Credit/Debit Card



WavePay



Cash On Delivery
Cash On Delivery



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Parties involved in a digital payment

- **Payment service provider (PSP):**

Creates a set of data from what the customer enters into the payment page (customer's information and method of payment desired by the customer) and passes this set on through a gateway to the payment processor chosen by the customer. Gets a small fee for this service.



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Parties involved in a digital payment

- **Acquirer**
 - Collects the purchase price from the customer's bank account
 - Passes on the purchase price to the seller (“**merchant**”) minus a fee (“**merchant discount rate**”)
 - Has to reimburse the customer if the customer wants his money back due to non-delivery or bad quality



A proposal from 2019

“We want to launch an app that shall serve as a B2B digital market place.

- Buyer orders and transfers purchase price from his mobile wallet to our mobile wallet.
- App notifies seller ‘Money has arrived!’ and seller ships the goods.
- When buyer receives goods, he clicks the ‘Goods Received’ button in the app.
- We then pass on the money to the seller.”



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A proposal from 2019

- No interoperability between mobile wallet
- Central Bank said: “This is deposit-taking; you will need our consent!” **(Now: Merchant acquiring service license)**
- Fraudulent buyer may never click the “Goods Received” button.
- No telco license (application service license, telecommunication equipment license) required as services are provided solely on the customer side of the network boundary



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

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