



Dear Readers,

Welcome to a new edition of our newsletter.

1. New minimum wage

On 5 October 2023, the National Committee for Setting the Minimum Wage under the State Administration Council (“**SAC**”) determined a new minimum wage for “workers working in CMP factories and workshops,” starting from 1 October 2023.

The wording of the notification (English translation below) is not entirely clear, but we suppose that the new minimum wage of MMK 5,800 per day (instead of MMK 4,800 per day so far) is to apply not only to workers in CMP factories, but to all workers covered by the Factories Act 1951 (which in Burmese is called “Workshops Act”).

Consequently, the new minimum wage should not apply to workers not covered by the Factories Act (e.g., workers on construction sites, in offices, in hotels and restaurants, on oilfields, in mining, etc.) whose minimum wage should therefore still amount to only MMK 4,800 per day.

Furthermore, a notification from 2018 exempts businesses with less than 10 employees and family businesses from any compulsory minimum wage.

**Government of the Republic of the Union of Myanmar
National Committee for Setting the Minimum Wage
Notification No. 1/2023
1385, 6th Waning Day of Tawthalin
(5 October 2023)**

Announcement that the rate of the minimum wage has been set

1. The minimum wage rates, decided according to section 10(d) Minimum Wage Law 2013 after negotiations with the tripartite representatives as “4,800 kyats (four thousand eight hundred kyats) for 8 working hours (one day) with a rate of 600 kyats (six hundred kyats) per hour uniformly throughout the country for workers in Myanmar, regardless of location and type of business” were promulgated with the



approval of the Union Government by the National Committee with Notification No. 2/2018 dated 14 May 2018.

2. The wages of daily workers in government departments and organisations were promulgated by Ministry of Planning and Finance Notification No. 70/2023 dated 30 September 2023 to the effect that “an additional allowance of 1,000 kyats (exactly one thousand kyats) is to be allowed on top of the wage currently set at 4,800 kyats (exactly four thousand and eight hundred kyats) for a day with 8 working hours, so daily workers are to be allowed a daily wage of 5,800 kyats (exactly five thousand and eight hundred kyats).”
3. Therefore, the minimum wage for workers working in CMP factories and workshops has been set at 5,800 kyats (exactly five thousand eight hundred kyats), comprising 4,800 kyats (exactly four thousand eight hundred kyats) originally set for a day with 8 working hours and an entitlement to an additional allowance of 1,000 kyats (exactly one thousand kyats).

Myint Naung
Union Minister
Ministry of Labour
(Chairman, National Committee for
Setting the Minimum Wage)

Letter No. 224 / 1 / Ah La Nya (De / Hnyi) 2023 (28668)

Date: 5 October 2023

Distribution list: *[Omitted.]*

2. **Import Valuation Unit**

According to a notification published in the Myanmar Gazette on 29 September 2023 (English translation below), the SAC set up an “Import Valuation Unit” to monitor the accuracy of prices in import declarations; this had previously been done by the Customs Department.

Government of the Republic of the Union of Myanmar



State Administration Council

Notification No. 186/2023

1385, 9th Waxing Day of Wagaung

(25 August 2023)

Formation of the Import Valuation Unit

4. In order to verify the value of imported goods coming into Myanmar, the Import Valuation Unit has been formed with the following persons:

- | | | |
|-----|--|-----------|
| (a) | Deputy Minister
Ministry of Planning and Finance | Chairman |
| (b) | Managing Director
Myanma Port Authority, Ministry of Transport
and Communications | Member |
| (c) | Director General
Department of Trade, Ministry of Commerce | Member |
| (d) | Director General
Foreign Exchange Management Department,
Central Bank of Myanmar | Member |
| (e) | Deputy Director General
Directorate of Investment and Company
Administration, Ministry of Investment and Foreign
Economic Relations | Member |
| (f) | Director General
Customs Department, Ministry of Planning and Finance | Secretary |

5. The duties of the Import Valuation Unit are as follows:

- (a) Checking whether the price of imported goods coming into Myanmar are accurate and in accordance with the terms and conditions for importing goods;



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

NEWSLETTER 131 - 7 October 2023

- (b) taking serious action to prevent the illegal trade in imported goods;
 - (c) concerning imported goods, checking completeness and accuracy of customs port clearance matters and documents;
 - (d) supervising and controlling so that customs duties are collected in full;
 - (e) implementing monetary policy to facilitate services that provide cash flow for import businesses;
 - (f) coordinating with relevant departments, associations and traders to ensure that the value of imported goods is accurate.
6. The Import Valuation Unit may form sub-units and define responsibilities as needed.

By order

Aung Lin Dwe
Lieutenant-General
Secretary

[Published in the Myanmar Gazette dated 29 September 2023.]

3. New motor vehicle insurance system

We understand that all insurance companies offering motor vehicle insurance (so far called “comprehensive motor insurance”) will, as instructed by the Insurance Business Regulatory Board, uniformly introduce new terms and conditions from 12 October 2023.

Apart from an increase in the rates (and the payouts - but they are still very low in comparison to other countries), it seems noteworthy that insurance cover will apparently be forfeited if the vehicle was driven by a person who was not notified to the insurance company as a driver.

So far, a vehicle seems to have been insured if it was driven by any person with a driving license (and, depending on the vehicle, other required licenses) with the permission of the insured. For insurance contracts newly concluded or renewed on or after 12 October 2023, there seems to be no more insurance cover if the vehicle was driven by any other person than the ones notified to



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

NEWSLETTER 131 - 7 October 2023

the insurance company as permitted drivers (up to 4 persons may be notified per vehicle apparently).

Country representatives of subsidiaries and branches in Myanmar whose headquarters are particular about company cars always having insurance cover should take note.

The new terms and conditions will apply to all insurance contracts newly concluded or renewed on or after 12 October 2023.

We hope that you have found this information useful.

Sebastian Pawlita
Managing Director

Nyein Chan Zaw
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:

■ Sebastian Pawlita, Managing Director
Phone: +95-9-262546284 (English)
E-Mail: sebastian@lincolnmyanmar.com

■ Nyein Chan Zaw, Director
Phone: +95-9-790488268 (Burmese)
E-Mail: nyeinchanzaw@lincolnmyanmar.com

Office address: La Pyi Wun Plaza, Room 409 (4th Floor), 37 Alan Pya Pagoda Road, Dagon Township, Yangon

Web: www.lincolnmyanmar.com