



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

Government of the Republic of the Union of Myanmar
Ministry of Industry
Notification No. 5/2024
1385, 9th Waning Day of Tabaung
(2 April 2024)

Exercising the powers conferred by section 74 (a) Industrial Zone Law, the Ministry of Industry has issued the following Rules with the approval of the Union Government.

Chapter 1
Name and definitions

1. These Rules shall be known as the **Industrial Zone Rules**.
2. Expressions in these Rules shall have the same meanings as in the Industrial Zone Law. Furthermore, the following expressions shall have the meanings given hereunder:
 - (a) **“Law”** means the Industrial Zone Law.
 - (b) **“Department”** means the Directorate [*literally, “Department”*] of Industrial Supervision and Inspection.
 - (c) **“Proposal”** means a proposal submitted to the relevant Regional Committee for the establishment of a new Industrial Zone by either the Nay Pyi Taw Council or the Regional or State Government, or the Developer.
 - (d) **“Permit”** means a permit issued by a Regional Committee for a matter referred to in section 7 (i), (n) and (o) of the Law.
 - (e) **“Recommendation”** means a recommendation issued by a Management Committee in relation to operational matters of an Industrial Zone business.
 - (f) **“Land rent”** means the fee paid by the Developer to the Regional Committee under the business agreement to develop an Industrial Zone business.
 - (g) **“Land use fee”** means the fee paid by the Investor when the Developer lets land to the Investor to carry out an investment business in an Industrial Zone.
 - (h) **“Industrial Zone Development Fund”** means a fund established by a Regional Committee for Industrial Zone development from subsidies from the Nay Pyi Taw Council or the



relevant Regional or State Government, grants from domestic and foreign organisations, and revenue and other income received according to section 7 (j) and (k) of the Law.

- (i) “**Industrial Zone Fund**” means a fund established by a Management Committee from Investors’ proportional contributions, fines and other revenue.
- (j) “**Form**” means a form specified in these Rules.

Chapter 2

Establishment of the Central Committee

3. The Government shall establish the Central Committee as follows in order to carry out the duties under the Law:

- | | | |
|-----|--|---------------|
| (a) | Deputy Prime Minister
Deputy Chairman
State Administration Council | Chairman |
| (b) | Union Minister
Ministry of Industry | Vice Chairman |
| (c) | Union Minister
Ministry of Investment and Foreign Economic Relations | Member |
| (d) | Union Minister
Ministry of Agriculture, Livestock and Irrigation | Member |
| (e) | Union Minister
Ministry of Natural Resources and Environmental Conservation | Member |
| (f) | Union Minister
Ministry of Electric Power | Member |
| (g) | Union Minister
Ministry of Energy | Member |
| (h) | Union Minister
Ministry of Labour | Member |
| (i) | Union Minister
Ministry of Commerce | Member |
| (j) | Union Minister | Member |



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	Ministry of Construction	
(k)	Deputy Minister Ministry of Transport and Communications	Member
(l)	Deputy Minister Ministry of Home Affairs	Member
(m)	Deputy Minister Ministry of Planning and Finance	Member
(n)	Deputy Minister Ministry of Industry	Secretary
(o)	Director General Directorate of Industrial Supervision and Inspection Ministry of Industry	Joint Secretary

Chapter 3

Establishment of the Regional Committees and their duties

4. The Central Committee shall establish the Regional Committees as follows in order to carry out the duties under the Law
- | | | |
|-----|---|-----------------|
| (a) | Chairman of the Nay Pyi Taw Council or Chief Minister of the relevant Region or State | Patron |
| (b) | Member of the Nay Pyi Taw Council or Minister of the relevant Region or State | Chairman |
| (c) | Individuals from relevant government departments and government organisations | Member |
| (d) | Chairpersons of the Management Committees | Member |
| (e) | Person assigned by the chairman of the Regional Committee | Secretary |
| (f) | Department head, Directorate of Industrial Supervision and Inspection
Department for the relevant Region or State or the Union Territory | Joint Secretary |
5. When including chairpersons of the Management Committees as members according to rule 4 (d), a maximum of 5 persons, each from an Industrial Zone in the relevant region, may participate. In



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regions with more than 5 Industrial Zones, *[the Regional Committee]* shall be established to represent all these zones as much as possible.

6. The Regional Committee:

- (a) Shall, in the development process to create new Industrial Zones according to section 7 (d) of the Law, systematically allocate space to groups of businesses of the same type.
- (b) Shall, when an Investor applies for an investment business permit for one or more than one business listed in section 24 of the Law, review the application as per section 7 (d) of the Law according to the following criteria, and issue a permit with form (b) if they are fulfilled:
 - (1) Proper application through the relevant Management Committee;
 - (2) *[the applicant]* is a person holding a license for the investment business according to relevant laws;
 - (3) not being an investment business that may not be carried out in an Industrial Zone according to rule 32;
 - (4) being an investment business that may be carried out in an Industrial Zone according to rule 33;
 - (5) Submission of a complete proposal for the business in which the investment is to be made;
 - (6) no blacklisting.
- (c) Shall arrange for the relocation of businesses that are no longer suitable to be kept in an Industrial Zone due to emerging situations and needs to a suitable Industrial Zone.
- (d) Shall determine for each financial year the amount of the proportional contribution to be contributed by the Investors to the Industrial Zone Development *[sic]* Fund.
- (e) Shall determine the maximum amount of the fine, appropriate for the offence committed, that may be imposed in relation to an administrative penalty.
- (f) Shall determine the maximum amount of money that the funds management and expenditure subcommittee may spend.
- (g) Shall oversee environmental protection matters in Established Industrial Zones, make annual plans and implement reforms.



- (h) Shall remit to the Union the amount to be paid to the Union budget according to section 7 (k) of the Law according to the percentage determined by the Central Committee.

Chapter 4

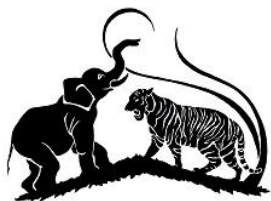
Establishment of the Management Committees and their duties

- 7. When establishing the relevant Management Committees according to section 8 of the Law, the Regional Committee:
 - (a) Shall, to establish Management Committees in Established Industrial Zones and new Industrial Zones with representatives of the Investors, form a selection team with members from the relevant Regional Committee within 1 month from the date of the declaration as an Industrial Zone.
 - (b) Shall establish a Management Committee for each relevant Industrial Zone with representatives elected by the Investors from among themselves, representatives from relevant government departments and government organisations, and persons assigned by the Nay Pyi Taw Council or relevant Regional or State Government.
 - (c) Shall appoint as chairman one person chosen by the members from among the representatives elected by the Investors according to sub-rule (b).
 - (d) Shall appoint the vice-chairman, secretary and joint secretary from and with the consensus of the members referred to in sub-rule (b).
 - (e) Shall supervise so that the selection team acts transparently and fairly [*when selecting*] members of the Management Committee from among the Investor representatives.
 - (f) May confirm or modify within 4 months the selection submitted by the selection team established according to sub-rule (a) of members, the chairman, vice-chairman, secretary and joint secretary according to sub-rules (b), (c) and (d).
 - (g) One third of the number of members of the Management Committee shall be composed of civil servants.
 - (h) The Management Committee shall be composed of an odd number a minimum of 15 to a maximum of 21 members, including the chairman.
 - (i) Shall establish the relevant Management Committee within 6 months from the date of the declaration as an Industrial Zone.



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- (j) Shall appoint replacement members according to the provisions of sub-rule (b) if there are vacancies.
 - (k) Shall act 6 months prior to the expiry of the Management Committee to reconstitute it.
8. To include civil servants in the Management Committee according to rule 7 (g), the Nay Pyi Taw Council or Regional or State Government shall select and submit district and township-level civil servants from where the relevant Industrial Zone is situated, and the Regional Committee shall select and include appropriate persons from among the civil servants submitted.
9. Investors who may be elected as members of the Management Committee:
- (a) Shall be a Myanmar citizen.
 - (b) Shall be an Investor who is actually doing business in the Industrial Zone.
 - (c) Shall be *[at least]* 25 years old.
 - (d) Shall be a person with practical experience related to Industrial Zones.
 - (e) Shall be able to actively work for the development of the Industrial Zone and attend meetings without fail.
 - (f) Shall be able to carry out the duties assigned by the Regional Committee and the Management Committee.
 - (g) May not be an Investor in a blacklisted business.
10. Members of the Management Committee who are not civil servants and who wish to resign from their duties shall submit good reason for their resignation to the Regional Committee 45 days in advance and obtain approval.
11. The Management Committee shall, when using funds, adopt measures to develop necessary human resources and to achieve development in relation to the growth of relevant Industrial Zones.
12. The Management Committee shall do the following:
- (a) Adding the proportional contribution of Investors determined by the Regional Committee to the Industrial Zone Fund account;
 - (b) adding the fines received as administrative penalty to the Industrial Zone Fund account;

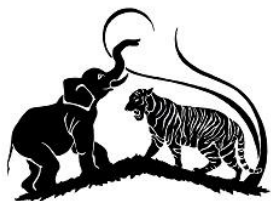


- (c) Setting rates according to the amount of waste produced for the costs of waste management and disposal in a collective system within the Industrial Zone in ways that minimise environmental impact;
 - (d) if necessary, cause the Developer to include and build in the relevant Industrial Zone a central raw water treatment plant so that industrial water is systematically distributed and used at a fixed rate;
 - (e) In relation to investment business applications in the Industrial Zone, review according to the laws in force and issue recommendations to the relevant departments in form (c);
 - (f) imposing fines as administrative penalties in the amounts determined by the Regional Committee.
13. The Management Committee shall do the following with the approval of the Management Committee:
- (a) Collecting specified funds for *[from?]* trading businesses, service businesses and support businesses permitted in the Industrial Zone such as petrol stations, restaurants, shops, clinics, training schools, warehouses, transportation businesses and internet service businesses, and adding them to the Industrial Zone Fund account.
 - (b) Using funds collected for a specific activity only for this activity.

Chapter 5

Establishment of the Management Committee office team and its duties

14. The Management Committee shall establish an office team according to section 10 (j) of the Law to carry out its duties:
- (a) Administrator 1 person
 - (b) Deputy administrator 1 person
 - (c) Accountant 1 person
 - (d) Computer specialist 1 person
 - (e) Do-all 1 person
 - (f) Safety and sanitation 1 person



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15. The office team established according to rule 14 may be modified and reconstituted as required depending on the relevant Industrial Zone Fund and local conditions.
16. Salaries and expenses of the Management Committee office team shall be covered by the Industrial Zone Fund.
17. The duties of the Management Committee office team are as follows:
 - (a) Carrying out the Office business in an orderly manner;
 - (b) arranging the necessary for lectures, courses and meetings;
 - (c) dealing with matters such as convocations of Management Committee meetings, preparation of ceremonies, seat allocation, welcome reception, and presentation and distribution of meeting resolutions and minutes to Committee members;
 - (d) disseminating to Investors as guided by the Management Committee policies, guidelines and directives of the Central Committee, Regional Committee, and government departments and government organisations;
 - (e) informing Investors about business matters arising in the Industrial Zone in a timely manner;
 - (f) keeping monthly lists of the factories in the Industrial Zone, investment amounts for the factories, workers, production, power consumption by machines, product types and values, land use, and banks serving the businesses;
 - (g) keeping monthly lists of conditions of the factories, operation and downtime in the Industrial Zone;
 - (h) keeping monthly lists of foreign Investors in factories in the Industrial Zone, foreign experts and family members;
 - (i) submitting compiled statistics in a timely manner if requested by relevant government departments and government organisations;
 - (j) timely submissions to the Management Committee of difficulties experienced by and urgent submissions by entrepreneurs in the Industrial Zone;
 - (k) ensuring that the entry and exit of lorries is orderly and supervising security matters within the Industrial Zone;
 - (l) Carrying out matters related to cleanliness and beauty in the Industrial Zone;



- (m) making arrangements to systematically hand over with complete and accurate statistics, at the end of the term of the Management Committee, from the outgoing team the proceedings in financial matters to be carried out by the incoming team, keeping records of these transfers in an orderly fashion, and arranging to enable a similar transfer from [to?] subcommittees supporting the management of Industrial Zones;
- (n) keeping record of matters related to obtaining prescribed licenses and registrations in relation to investment businesses;
- (o) carrying out other duties assigned by the Management Committee.

Chapter 6

Establishment of the fund management team and its duties

- 18. (a) The Regional Committee shall establish a fund management team according to section 18 of the Law.
- (b) The term of the fund management team shall be 5 years from the date of its establishment.
- 19. The fund management team according to rule 18 (a) shall be composed of a person assigned by the Regional Committee as the chairman and representatives of government organisations and government departments of the relevant Region or State or the Union Territory and the chairman of the relevant Industrial Zone Management Committee as members, with a total of 11 members.
- 20. The chairman of the fund management team shall assign a financial expert from among the departmental representatives from the relevant Region or State or Union Territory as the secretary.
- 21. (a) The duties of the fund management team are as follows:
 - (1) Shall maintain the Industrial Zone Development Fund according to section 17 of the Law in accordance with financial regulations.
 - (2) Shall use the Industrial Zone Development Fund in accordance with the financial regulations and terms with the approval of the Regional Committee.
 - (3) Shall hold a business meeting at least once every 3 months.
 - (4) Business activities shall be transparent.
 - (5) Shall enter statistical data accurately and completely.



- (6) Shall maintain and use under a separate accounts heading the grants obtained from foreign organisations with the approval of the Regional Committee.
 - (7) Shall submit the semiannual financial statements to the nearest Regional Committee meeting for approval.
- (b) If more than half of the number of members who may attend a meeting held according to sub-rule (a) (3) are in attendance, the meeting shall have reached the quorum.
- 22. The Regional Committee shall take action according to the laws in force against the person or the persons who did it if one or more than one member of the fund management team misuses the Industrial Zone Development Fund, or if the loss of funds occurs due to non-compliance with the financial regulations and terms.

Chapter 7

Establishment of the fund maintenance and expenditure subcommittee and its duties

- 23. The Management Committee shall establish an Industrial Zone Fund according to section 19 of the Law with revenue from rules 12 (a) and (b) and 13 (a).
- 24. The Management Committee shall, with the approval of the Regional Committee, establish a fund maintenance and expenditure subcommittee according to section 20 of the Law, consisting of a maximum of 5 members, including the chairman. One of the 5 members of the subcommittee shall be assigned the role of chairman.
- 25. Investors from Industrial Zones sent to the fund maintenance and expenditure subcommittee as representatives:
 - (a) Shall be a member of the Management Committee.
 - (b) Shall have financial work experience.
 - (c) Shall be able to attend without fail the meetings held.
- 26. The duties of the fund maintenance and expenditure subcommittee are as follows:
 - (a) Shall use the Industrial Zone Fund according to the financial regulations and terms with the approval of the Management Committee.
 - (b) Shall use funds for the construction and maintenance of the infrastructure needed for the development of the relevant Industrial Zone with the approval of the Management Committee.



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- (c) Shall hold a business meeting at least once every 3 months.
 - (d) Shall use the Industrial Zone Fund for the things and in the amounts approved and resolved by the Management Committee meeting.
 - (e) Shall obtain approval in advance from the Management Committee for using *[the Fund]* in an emergency and the amount to be used in such a case.
 - (f) Shall submit the amount used in an emergency and obtain approval at the nearest Management Committee meeting.
 - (g) Shall submit the semiannual and annual financial statements at the nearest Management Committee meeting and obtain approval.
27. The fund maintenance and expenditure subcommittee may spend only up to the maximum amount of funds approved by the Regional Committee.

Chapter 8

Conducting Central Committee, Regional Committee and Management Committee meetings

28. A Central Committee meeting shall be held at least twice per year, a Regional Committee meeting shall be held at least three times per year, and a Management Committee meeting shall be held at least once per month.
29. A quorum is reached if two thirds of the committee members are in attendance. Resolutions shall be made with the consent of more than half of the committee members attending.
30. If necessary, senior officials from relevant ministries, subject matter experts and external experts may also be invited to the meeting.
31. The membership of non-civil servant committee members who fail to attend a meeting 3 times in a row without good reason shall be deemed to have automatically terminated.

Chapter 9

Businesses that are not allowed in an Industrial Zone

32. The following investment businesses shall not be allowed in an Industrial Zone:
- (a) Businesses that may harm national defence and security;
 - (b) businesses consisting in the manufacturing, possession, storage and distribution and sale of narcotics and psychoactive drugs;

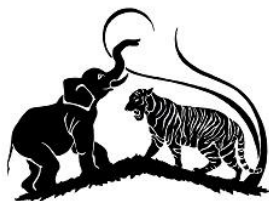


- (c) businesses consisting in the manufacturing, packaging, storage and distribution and sale of toxic chemicals, agricultural pesticides and other products containing chemicals banned by international regulations or the World Health Organization for harming public health and the environment;
- (d) businesses consisting in the recycling, storage, treatment and distribution and sale of waste products that do not comply with international standards and the law in force;
- (e) non-manufacturing businesses such as the erection of residential houses, hotels and guesthouses and the establishment of karaoke shops, restaurants and theatres, cinemas, and nightclubs;
- (f) other businesses that may not be carried out according to a Regional Committee notification.

Chapter 10

Investment businesses that may be carried out in an Industrial Zone

33. The following investment businesses may be carried out according to the Law:
- (a) Value-added production of agricultural and livestock goods;
 - (b) manufacturing from raw materials to finished goods, high-tech manufacturing, manufacturing based on natural resources and labour-based manufacturing;
 - (c) types of investment businesses that have obtained a permit or endorsement under the Myanmar Investment Law and may be carried out within an Industrial Zone;
 - (d) commercial infrastructure (including trade centres) development businesses;
 - (e) warehouse systems and logistics businesses;
 - (f) research and development services;
 - (g) health services;
 - (h) training and related services;
 - (i) other services including consulting;
 - (j) environmental protection and waste treatment services;
 - (k) micro, small and medium businesses;



- (l) other businesses that may be carried out according to a Regional Committee notification.

Chapter 11

Establishing an Industrial Zone

34. To establish a new Industrial Zone, the Nay Pyi Taw Council or a Regional or State Government or a Developer shall fill in proposal form A completely and apply to the Regional Committee with the necessary documents.
35. The Regional Committee shall review the application under rule 34 according to the laws in force and if it meets the criteria, proceed to submit it to the Central Committee with its comments.
36. The Central Committee shall review the proposal submitted by the Regional Committee within 60 days from the date of receipt and if it meets the criteria, proceed to submit it to the Government with its comments.
37. After the Regional Committee obtained the Government's approval to establish the Industrial Zone, the following procedures shall be carried out if it is an Industrial Zone established at the proposal of the Nay Pyi Taw Council or a Regional or State Government:
- (a) Directing the relevant department to measure and demarcate the Industrial Zone boundaries;
 - (b) after carrying out land verification matters according to the law in force, designing and implementing short-term, mid-term and long-term projects;
 - (c) acting to ensure compliance with the goals, strategies and processes of the Myanmar Sustainable Development Plan-MSDP;
 - (d) Inviting interested Developers in relation to the Industrial Zone project;
 - (e) implementing the project, redrafting plans and connecting with the Project Bank based on the results of the expressions of interest (EOI);
 - (f) *[Conducting]* environmental assessments in compliance with the Environmental Conservation Law and Regulations and Environmental Impact Assessment Procedures;
 - (g) After drafting the Industrial Zone plan, inviting official tenders from local and foreign entrepreneurs wishing to invest;
 - (h) implementing the project.

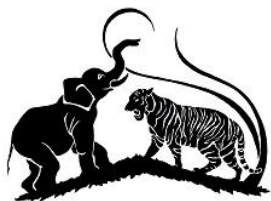


38. After the Regional Committee obtained the Government's approval to establish the Industrial Zone, the following procedures shall be carried out if it is an Industrial Zone established at the proposal of a Developer:
- (a) Directing the relevant department to measure and demarcate the Industrial Zone boundaries;
 - (b) after carrying out land verification matters according to the law in force, causing the Developer to design and implement short-term, mid-term and long-term projects;
 - (c) causing the Developer to ensure compliance with the goals, strategies and processes of the Myanmar Sustainable Development Plan-MSDP;
 - (d) causing the Developer *[to conduct]* environmental assessments in compliance with the Environmental Conservation Law, Regulations and Environmental Impact Assessment Procedures;
 - (e) determining the land lease period and causing the Developer to pay the land rent;
 - (f) causing the Developer to implement the project.
39. If the Regional Committee receives notice from the Government rejecting the proposal to establish an Industrial Zone, it shall proceed to notify the Nay Pyi Taw Council or Regional or State Government or Developer that submitted the proposal.

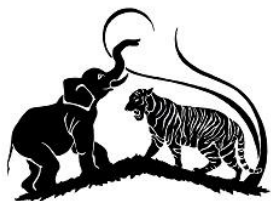
Chapter 12

Land use

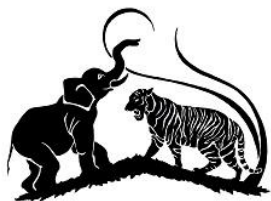
40. A person wishing to establish a new Industrial Zone as a Developer shall, to be able to use the land as an Industrial Zone, depending on the type of land submit the matter according to the law in force to and obtain approval from the Central Farmland Management Board through the relevant Nay Pyi Taw Council or Regional or State Farmland Management Board, or to the Vacant, Fallow and Virgin Land Management Central Committee through the relevant Nay Pyi Taw Council or Regional or State Vacant, Fallow and Virgin Land Management Committee.
41. If there are any residential houses, buildings, farms and gardens, fruit trees, etc. to be vacated on the land earmarked for the establishment of an Industrial Zone, relocation, damages and compensation shall be taken care of by the relevant party according to the law in force.
42. The Regional Committee shall review the proposal to establish an Industrial Zone and submit necessary conditions with its comments to the Central Committee.



43. The location, area and boundary of the proposed establishment of the Industrial Zone require Government approval.
44. Only after the boundaries of the land approved by the Government are demarcated and it is mapped according to the law in force may the Developer proceed with the Industrial Zone establishment process.
45. The Developer shall use the land allowed to be used as an Industrial Zone subject to the following conditions:
 - (a) 60% to 70% of the land area shall be designated as industrial area and only industrial manufacturing businesses may be carried out in this area.
 - (b) 1% to 5% of the land area shall be designated as commercial area, and in this area, parking stations, warehouses, machine spare parts shops, shopping centres, offices and bonded warehouses shall be built and transportation businesses shall be carried out.
 - (c) 20% to 25% of the land area shall be designated as public utilities and assistance area, and in this area, restaurants, parks, banks, technical and training institutes, machinery repair businesses, service businesses, news publication businesses, research and laboratories and petrol stations shall be operated.
 - (d) 9% to 10% of the land area shall be designated as green belt, and when demarcating land areas for this area, there shall be a continuous stretch on the left and right sides of the roads and around the Industrial Zone.
46. The Regional Committee shall oversee the completion of the project within the specified period by the Developer and report the status of operations to the Central Committee every 6 months.
47. The Management Committee shall oversee the completion of the project within the specified period by the Investor and report the status of operations to the Regional Committee every 6 months.
48. The Investor shall, when submitting the business plan and land use, submit them with form D to the Management Committee, and if he receives permission to use the land, comply with the following:
 - (a) Approval from the relevant municipal development committee or municipal development organisation shall be obtained for a building permit and for business licenses regarding water supply, waste management and drainage management.



- (b) The relevant type of registered engineer licensed by the Myanmar Engineering Council shall certify the following engineering matters and the Department's approval shall be obtained:
- (1) Civil and construction works for the factory or workshop;
 - (2) positioning plan for machines;
 - (3) boiler design;
 - (4) electrical wiring and installation plan;
 - (5) type of factory and production method;
 - (6) other necessary matters.
- (c) The following documents shall be submitted to the Department for prior approval:
- (1) Standards to be followed;
 - (2) List of machinery and status of their useful life;
 - (3) raw materials to be used;
 - (4) methods to ensure absence of environmental pollution;
 - (5) organisational structure and workforce;
 - (6) company's certificate of incorporation;
 - (7) other necessary documents.
- (d) Comments from the Fire Department shall be obtained.
- (e) Comments from the Factories and Labour Law Inspection Department shall be obtained for occupational health and safety.
- (f) Approval from the Management Committee shall be obtained for the expansion or addition of buildings.
- (g) Compliance with environmental conservation matters is required according to sections 39, 41 and 42 of the Law.
49. A Developer:



- (a) Shall enable the allocation of space to groups of businesses of the same type as included in the approved Industrial Zone implementation master plan.
 - (b) Shall obtain the approval of the Regional Committee if he wishes to change the allocation of space to groups of businesses of the same type in the master plan.
 - (c) Shall comply with environmental conservation matters according to section 38 of the Law.
50. An Investor:
- (a) Has the right to operate according to the terms and conditions set for the groups of businesses of the same type that are included in the master plan.
 - (b) Shall have paid the land use fee to the Developer according to the contract concluded with the Developer when operating according to sub-rule (a).
 - (c) May on the permitted land only engage in businesses related to the specified business type. May not switch to other businesses.
 - (d) Shall, if desirous of changing his business, submit the matter to the Regional Committee through the Management Committee to be able to change his business to a *[different]* group of businesses of the same type.
51. If the Investor or Developer wishes to let the land with the right to use to another person or organisation according to the terms of the land lease contract, or wishes to sell, let, exchange or donate the land use rights and buildings, he shall submit the matter to the Regional Committee through the Management Committee.
52. The Regional Committee shall, if there is a submission under rule 51, allow the matter if the following conditions are met:
- (a) The person seeking permission is a person who is currently building or investing in the relevant Industrial Zone;
 - (b) it is land for which the person seeking permission has actually obtained use rights;
 - (c) the matter for which permission is sought is clearly stated in the contract;
 - (d) absence of any dispute in relation to the matter for which permission is sought;
 - (e) after obtaining permission, the person or organisation receiving the transfer will continue the business of the original Developer or Investor according to the law in force;



- (f) business plans for continuing the business and corresponding acknowledgment.
53. After the declaration as an Industrial Zone, the Regional Committee shall direct the relevant departments to demarcate and map the boundaries of the Industrial Zone area according to the laws in force to develop the land situated in the Industrial Zone as an Industrial Zone.
 54. If the Investor does not complete the work within the approved project timeline, he shall pay a fine according to section 34 (b) of the law, and if he cannot pay the fine, the land use contract shall be revoked if this is the opinion of the relevant department.
 55. If the Developer applies for Industrial Zone land according to the terms and conditions, the Regional Committee shall coordinate with the relevant departments.
 56. The Regional Committee shall direct the Developer and the Investor to pay the land rent and land use fee approved by the Central Committee.

Chapter 13

Designating the size, type and class of an Industrial Zone

57. The Regional Committee shall, to distinguish Industrial Zones by size as follows, submit the matter to the Central Committee for approval:
 - (a) For a large-scale Industrial Zone, the Industrial Zone area is above 1,000 acres;
 - (b) for a medium-sized Industrial Zone, the Industrial Zone area is from 500 acres to 1,000 acres;
 - (c) for a small-scale Industrial Zone, the Industrial Zone area is less than 500 acres.
58. The Regional Committee shall, when identifying Industrial Zone types, base this on the following particulars:
 - (a) Product type;
 - (b) export of finished goods;
 - (c) use of resources;
 - (d) use of human resources;
 - (e) business clusters;
 - (f) use of technology;



- (g) systematic and efficient use of energy;
 - (h) existing business types in Established Industrial Zones.
59. The Regional Committee shall, after reviewing according to the provisions of rule 58, classify Industrial Zones by type as follows and submit the result to the Central Committee:
- (a) Industrial Zone for businesses that manufacture for export;
 - (b) Industrial Zone for businesses that manufacture for import substitution;
 - (c) Industrial Zone for textile businesses;
 - (d) Industrial Zone for basic food production;
 - (e) Industrial Zone for wood, rubber, petroleum or metal-based manufacturing businesses;
 - (f) Industrial Zone for agricultural or livestock-based manufacturing businesses;
 - (g) Industrial Zone for smelting businesses;
 - (h) Industrial Zone for high-tech businesses;
 - (i) Industrial Zone for basic manufacturing businesses that produce aquatic products;
 - (j) Industrial Zone for general manufacturing businesses.
60. The Regional Committee shall, when classifying Industrial Zones, base their determination on the following particulars:
- (a) Compatibility with land use characteristics;
 - (b) existence of a bonded warehouse system;
 - (c) compliance with the Environmental Conservation Law and Regulations and the Environmental Impact Assessment Procedures;
 - (d) existence of complete infrastructure;
 - (e) connectivity with special economic zones and other economic zones.
61. The Regional Committee shall, after reviewing according to the provisions in rule 60, divide the Industrial Zones by class as follows and submit the result to the Central Committee:
- (a) Class A Industrial Zone if 80% or more of the information is complete;



- (b) Class B Industrial Zone if at least 60% to 80% of the information is complete;
- (c) Class C Industrial Zone if less than 60% of the information is complete.

Chapter 14

Declaration as an Industrial Zone

62. The Government:
- (a) Shall, after review, for the purpose of section 11 (a) of the Law reject or approve the location for the establishment of an Industrial Zone submitted with the Central Committee's comments.
 - (b) Shall by notification declare that an Industrial Zone will be established at the location, with the area and within the boundaries approved under sub-rule (a).
 - (c) Shall declare Established Industrial Zones as Industrial Zones after they have been categorised according to the size, type and class as per the criteria in rules 57, 59 and 61.

Chapter 15

Relocating businesses outside an Industrial Zone to an Industrial Zone

63. If there are empty plots of land left in an Industrial Zone, the Regional Committee shall make systematic arrangements for the relocation of businesses outside the Industrial Zone to the Industrial Zone.
64. Investors wishing to relocate to an Industrial Zone shall submit applications to the Regional Committee through the Management Committee.
65. The Regional Committee shall allocate a place depending on the Industrial Zone type, land vacancy and type of business that the Investor will operate.
66. The Regional Committee shall act so that Investors wishing to relocate to an Industrial Zone may obtain the following rights and reliefs:
- (a) Assigning land with an area suitable for the business for which the investment will be made;
 - (b) granting a longer construction period;
 - (c) assisting with obtaining a loan of an amount suitable for the business for which the investment will be made;

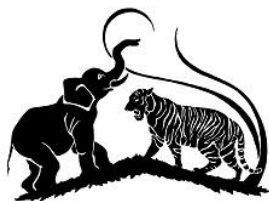


- (d) granting an exemption from the proportional contribution to be paid to the Industrial Zone Management Committee as appropriate during the construction period.
67. If no businesses wish to relocate to empty plots of land in an Industrial Zone, the Regional Committee shall enforce the relocation of businesses outside the Industrial Zone to the Industrial Zone.

Chapter 16

Preparing environmental and energy management plans

68. According to section 37 of the Law, a Developer shall, when developing an Industrial Zone, and an Investor shall, when carrying out industrial businesses, carry out environmental conservation matters according to the laws in force.
69. Investors may dispose of non-hazardous solid waste according to their own arrangements or through storage and disposal in coordination with the relevant municipal committee or municipal organisation.
70. If investors are engaged in businesses related to chemicals and related products that are permitted by the relevant law, they shall comply with the laws, rules and procedures in force to ensure that there is no harm to the environment.
71. Business operators in an Industrial Zone shall comply with the following particulars regarding the efficient use of energy:
- (a) Prevention of thermal energy leaks and other energy losses in manufacturing processes; minimising, fixing and replacing thermal energy losses;
 - (b) acting to reuse waste heat;
 - (c) systematically and efficiently using energy and further improving energy efficiency in fuel combustion processes, heating and cooling processes and conversion processes from one form of energy to another (processes that convert thermal energy to mechanical energy or electrical energy, or electrical energy to mechanical energy or thermal energy);
 - (d) integrating the energy management system into the operational control system for efficient use of energy;
 - (e) promoting the exchange of machinery that are slightly energy efficient with machinery that are highly energy efficient and the use of the latter;
 - (f) using modern technologies and manufacturing methods to use energy efficiently;



- (g) keeping monthly and yearly records of energy consumption and production, and sending necessary information if so requested.
72. Factories and workshops that mainly use energy (energy intensive industries) shall comply with the laws, rules, orders, directives and procedures in force.

Chapter 17

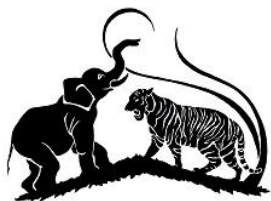
Employing foreign skilled workers and experts

73. If an Investor needs to hire foreign skilled workers and experts, he shall fill in form E completely and submit it to the Management Committee with supporting documents.
74. The Management Committee shall, if a submission is made under rule 73, conduct the necessary review whether there is a real need to obtain or hire foreign experts in this industrial business and whether similar experts can be appointed locally, and issue a recommendation with form F.
75. If in the review according to rule 74, *[it is found that]* similar experts can be appointed locally, the application to appoint foreign skilled workers and experts shall not be recommended.
76. The Management Committee may, for the appointment as expert, recommend to the relevant parties only foreign professionals who obtained a certificate from academic councils established according to the laws in force.

Chapter 18

Imposition of administrative penalties

77. (a) The Management Committee may impose any of the following administrative penalties against any person conducting business in the Industrial Zone if it is evident from an investigation, from complaints, from information, or for other good reason that this person failed to comply with any specification in the rules, regulations, notifications, orders, directives and procedures issued according to the Law:
- (1) Written warning;
 - (2) payment of a specified fine;
- (b) The Management Committee shall report the person to the Regional Committee so that action can be taken if he continues to commit the offence despite the imposition of a penalty under sub-rule (a).
- (c) The Regional Committee may impose the temporary suspension of business for a minimum of 1 year to a maximum of 3 years against this person as administrative penalty.



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Chapter 19

Appeal

78. A person not satisfied with an administrative penalty under rule 77 (a) may appeal to the Regional Committee and a person not satisfied with an administrative penalty under rule 77 (c) may appeal to the Central Committee by filing the appeal, complete with the following particulars, in person within 60 days from the date of the imposition of the administrative penalty.
- (a) Name and citizenship scrutiny card number of the person wishing to file the appeal, name and address of his business;
 - (b) good reasons for filing the appeal;
 - (c) certified true copy of the order or resolution of the Management Committee or Regional Committee.

Chapter 20

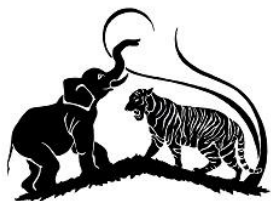
Miscellaneous

79. The Central Committee shall determine the percentage of the revenue to be contributed to the Union budget under section 7 (k) of the Law.
80. Under the supervision of the Ministry, the Department:
- (a) Shall be responsible for the office work of the Central Committee and in addition submit the expenses to the Ministry and use them according to the financial regulations and terms.
 - (b) Shall submit to the Ministry and use according to the financial regulations and terms the remuneration and the expenses incurred due to the performance of duties related to the Industrial Zone, to be determined by the Ministry with the approval of the Union Government for Central Committee members who are not civil servants.

Dr. Charlie Than
Union Minister
Government of the Republic of the Union of Myanmar
Ministry of Industry

Form A
Rules 2 (a), 34

To



Chairman

Central Committee for the Promotion of the Development of Industrial Businesses and Industrial Zones

Proposal to establish a new Industrial Zone

1. Name and address (in full)

- (a) Nay Pyi Taw Council / Regional or State Government / name of the proponent
- (b) Permanent address
- (c) Contact phone number and e-mail
- (d) Company name and registration date

2. Location and topography of the proposed Industrial Zone

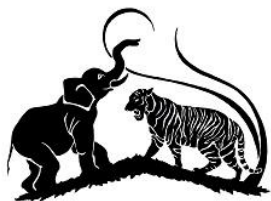
- (a) Project location
- (b) Indicate how high the project location is on average above sea level or above the flood mark of rivers and streams
- (c) Nature of the topography near the project site
(Plain, highland, valleys, hills, mountains, sea, rivers, streams, lakes, etc.)
- (d) Characteristics of the land where the project is situated (site characteristics)
(River basin, coast, delta, inland, marshland, sandy land, stony land, flooded land, etc.)

3. Details of the proposed site

- (a) Distance from an international port and airport, from the railway and from roads
- (b) Land area and land type
- (c) Land use permit
- (d) Proof of land ownership/lease

4. Land use circumstances (to be expressed as a percentage)

- (a) Industrial area



- (b) Commercial area
- (c) Public utilities and assistance area
- (d) Green belt (state of planted shady trees)
- (e) Other

5. Financial circumstances

- (a) Equity amount (foreign currency/Myanmar currency)
- (b) Loans (local/foreign)
- (c) Other sources

6. Investment form

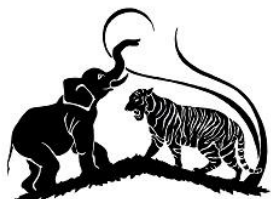
- (a) Intergovernmental cooperation
- (b) Public/private partnership
- (c) Partnership among private parties
- (d) Private individual operation

7. Road, drainage and dam construction plan

- (a) Road width and length
- (b) Lane *[smaller road]* width and length
- (c) Road type (asphalt, concrete, earth, etc.)
- (d) Construction plan for drainage, dams and dykes to protect industrial facilities from damage from natural disasters and floods

8. Plan to build infrastructure according to priority level

- | | |
|---------------------------|------------------|
| (a) Road construction | Priority level 1 |
| (b) Access to electricity | Priority level 2 |
| (c) Clean water works | Priority level 3 |



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

- (d) Construction of a *[waste]* disposal system Priority level 4
- (e) Implementing telecommunication works Priority level 5
- (f) Other works Priority level 6

9. Expected results

- (a) Foreign investment
- (b) Export abroad
- (c) Ability to create employment
- (d) Potential to increase the current regional development growth rate by ... %
- (e) Plan to connect Industrial Zones
- (f) Other

Nay Pyi Taw Council/
Regional or State Government/
Developer

.....
.....
.....

Recommended by
Chairman
Regional Committee
Industrial Zones Development and Supervisory Committee
..... Nay Pyi Taw Council/Region/State

Form B
Rule 6 (b)

Investment business permit

Subject: **Submission of a proposal to establish an investment business in the Industrial Zone**

Reference:



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

With reference to the submitted proposal, the Region/State/Nay Pyi Taw Union Territory Regional Committee has allowed the following investment business of Mr./Ms.'s own company to invest within the Region/State/private Industrial Zone and operate according to the Industrial Zone Law and Rules.

- (a) Permitted investment business
- (b) Permitted business location

Regional Committee Chairman
 Region/State/Nay Pyi Taw Union
 Territory Industrial Zones Development and Supervisory
 Committee

Copy

Secretary, Central Committee for the Promotion of the Development of Industrial Businesses and Industrial Zones

Form C
Rule 12 (e)

..... Industrial Zone Management Committee
 Township, Region/State
 Letter No./Si Hkan/Hta Hka/20xx/(xxxxx)
 Date: xx xxxxxxxxxxxx 20xx

To whom it may concern

Subject: **Sending a recommendation**

Reference: Co., Ltd.'s submission dated xx.xx.202x

1. Regarding the matter above, Mr./Ms., Co., Ltd. from Township, company registration number, applied with the referenced letter to *[be allowed to]* operate an investment business at Industrial Zone plot no.
2. We reviewed the Investor's application and confirm *[literally, recommend]* with attached evidence that it complies with the laws in force.

Signature:
 Name:
 Position:



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

Management Committee

..... Zone, Township

Copies

Regional Committee (submitted for information)

Office receipt

Form D

Rule 48

To

Industrial Zone Management Committee

..... Industrial Zone

Business plan and land use

- (1) Name of the investor
- (2) Summary of the project
- (3) Location and land use rights
- (4) Approval for building permit and structure design (expert team for supervising and inspecting high-rise and public building construction projects from the relevant municipal development committee or municipal development organisation)
- (5) Engineering works
 - Factory or workshop layout plan
 - Architectural drawings of the factory or workshop (shall be certified by an architect licensed by the Myanmar Architect Council)
 - Standards and production methods (good manufacturing practices G.M.P.) to be followed
 - List of machinery and useful life status
 - Installation of the boiler and electrical devices
 - Engineering matters mentioned above shall be certified by an engineer who is validly registered for the relevant specialisation and licensed by the Myanmar Engineering Council, certified by a registered professional engineer, and approved by the Department.

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LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

- (6) Fire safety arrangements (approved by the Fire Department)
- (7) Measures to prevent environmental pollution
- (8) Materials and input
Availability of raw materials, water and electricity, and annual raw material and input needs
- (9) Market and plant capacity
- (10) Appointment plan for foreign experts and technicians (in case of an engineering degree or diploma, shall register with the Myanmar Engineering Council and work with local certified engineering professionals)
- (11) Implementation scheduling
Construction schedule, machine testing and normal production
- (12) Total investment costs
Planning costs; land development, civil and construction works costs; machinery and technology costs; initial operating fund
- (13) Project financing
Loans, own funds and other sources for local and foreign currency needs
- (14) Annual manufacturing costs (total production and manufacturing costs)
Costs of raw materials, wages, electricity and fuel and maintenance; depreciation fund; interest (financial costs); other costs
- (15) Financial evaluation
Break-even period, benefit-to-cost ratio, cost-to-income ratio, production value, annual net foreign currency earnings, annual net foreign currency savings, return on investment rate, environmental impact

Investor

Form E

Rule 73

Company letterhead

Letter no.:

Date:

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LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

To

Industrial Zone Management Committee

..... Industrial Zone

Subject: **Requesting a recommendation**

1. Regarding the matter above, as the following () foreign skilled workers and () experts will be working in the factory of Co., Ltd. at plot no., Road in the Industrial Zone in Township, we are making this submission to request recommendation to the authorities concerned to *[obtain the]* right to appoint *[these persons]*.

Sr.	Name	Nationality	Passport no.	Stay permit expiry date	Position for which the person is appointed
1.					
2.					
3.					

2. The data of each employee is as attached and we undertake that they are not tied to politics.

Signature:

Name:

Position

Data related to foreign skilled workers/experts

1. Name
2. Position/rank, business department
3. Complete address
4. Education and specialisation
5. Subject of expertise
6. Name of home country
7. Holding passport no.
8. Reason for the appointment
9. Period
10. Salary and other benefits



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

11. If salary and other benefits will be paid in foreign currency, explain how the foreign currency may be obtained
12. Whether this person will be accompanied by family
13. Whether this person is blacklisted
14. Stay permit and work permit
15. Registration with the Labour Department

Form F
Rule 74

..... Industrial Zone Management Committee
 Township, Region/State
 Letter No./Si Hkan/Hta Hka/20xx/(xxxxx)
 Date: xx xxxxxxxxxxxx 20xx

To whom it may concern

Subject: **Sending a recommendation**

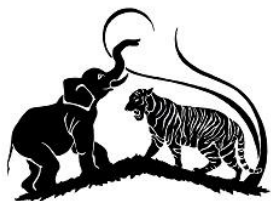
Reference: Co., Ltd.'s submission dated xx.xx.202x

Regarding the matter above, the following () foreign skilled workers and () experts will come to work according to an application by the factory of Co., Ltd. at plot no., Road in the Industrial Zone in Township, and we confirm [*literally, recommend*] correctness with attached evidence.

Sr.	Name	Nationality	Passport no.	Stay permit expiry date	Position for which the person is appointed
1.					
2.					
3.					

Signature:
 Name:
 Position:
 Management Committee
 Zone, Township

Copies



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

Regional Committee (submitted for information)
Office receipt

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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