



# LINCOLN CONSULTANCY (MYANMAR) LIMITED

NEWSLETTER 209 - 21 September 2025

Dear Readers,

Welcome to a new edition of our newsletter.

## 1. INGOs and companies limited by guarantee (recent developments)

### (a) Companies limited by guarantee and the Registration of Associations Law 2022

Companies limited by guarantee have been used for more than 150 years as a vehicle for charities in jurisdictions whose legal system is based on English law. In Myanmar, section 5 (ii) [Companies Act 1914](#) used to provide, and section 2 (b) [Myanmar Companies Law 2017](#) currently provides, for the establishment of companies limited by guarantee. However, we understand that not many companies limited by guarantee were established in Myanmar prior to 28 October 2022.

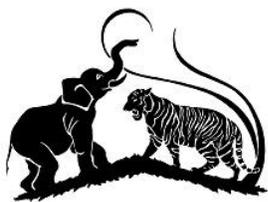
On 28 October 2022, the State Administration Council ("SAC") created the [Registration of Associations Law](#) which requires both local NGOs and INGOs to register with a registration board and imposes onerous compliance requirements as well as criminal penalties for a broad array of conduct.

The Registration of Associations Law 2022 has the following two predecessors: The [Registration of Associations Law 2014](#) (which explicitly made registration voluntary for local NGOs and was ambiguous as to whether the registration of INGOs was voluntary or compulsory) and the [Establishment of Associations Law 1988](#) (which made registration compulsory for local NGOs and was silent on INGOs).

All three laws provide for an exception according to which no association is required to register under this law if it is "established under any other law" (in the Registration of Associations Law 2022, this exception is provided for in section 26 (c)).

We understand that after the SAC created the Registration of Associations Law 2022, many INGOs set up companies limited by guarantee to make use of this exception, for the following reasons:

- to escape from the Registration of Associations Law 2022 and its restrictions and controls altogether;



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- as a stop-gap solution, to have a vehicle for charitable work until the NGO or INGO's application for (re-) registration under the Registration of Associations Law 2022 was approved;
- to have a vehicle for issuing invitation letters for visas; and/or
- to have a vehicle to easily open a bank account in Myanmar.

### (b) Recent developments

Recent developments, however, suggest that there are many scenarios in which setting up a company limited by guarantee might not be worth the effort.

#### (aa) Visas

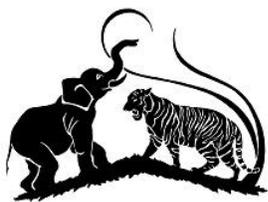
Some visa applications might still get through, but we heard from numerous sources that since April this year, applications for business visas sponsored by companies limited by guarantee keep getting rejected.

#### (bb) MoUs with line departments

INGOs often have memoranda of understanding (“**MoUs**”) with line ministries or departments. As a company limited by guarantee is a separate legal entity from the INGO that set it up, the line ministry or department would have to agree to transfer the MoU to the company limited by guarantee for the INGO to be able to legally operate in Myanmar without registering with the Union Registration Board under the Registration of Associations Law 2022. There might be cases where this was done, but at least we in our firm are not aware of any INGO that attempted to, let alone succeeded in, switching its MoU to a company limited by guarantee.

On the contrary, we are aware of at least one instance where a line department was willing to renew an MoU only if the INGO proceeded to re-register under the Registration of Associations Law.

Furthermore, the military government's policy is explicitly spelled out in a draft of operational guidelines for the implementation of projects by INGOs that was circulated in August 2025: This draft explicitly provides that INGOs may only



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operate in the country if they have an MoU and register under the Registration of Associations Law 2022.

#### **(cc) Having a company limited by guarantee might not be much of a defence**

We are admittedly only aware of this one case, but think that it is noteworthy as it demonstrates that having a company limited by guarantee might not be much of a defence for unregistered INGOs.

In the beginning of this year, a disgruntled employee or local partner (the identity of this person is still unknown) informed the Township General Administration Department that the INGO, which was in the process of securing an MoU to renew its expired registration certificate, had set up a company limited by guarantee and used it to sponsor business visas for short-term visits by the INGO's foreign employees and consultants.

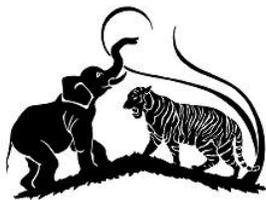
The General Administration Department started a thorough investigation of the INGO during which, among others, the INGO had to provide all of its bank statements since the beginning of its Myanmar operations in the 2010s. The matter went up and down several times through the General Administration Department's hierarchy. The investigation concluded when some weeks ago, representatives of the INGO had to sign an undertaking, an anonymised translation of which is reproduced below in the grey box.

Having set up a company limited by guarantee was clearly no defence against the investigation and the findings of the investigation.

#### **(c) What to do**

We think that INGOs that set up a company limited by guarantee or are contemplating doing so should consider the following points:

- INGOs with an MoU cannot operate legally in Myanmar without registering with the Union Registration Board unless they manage to officially switch their MoU to the company limited by guarantee.
- There may be issues if a company limited by guarantee sponsors business visas.



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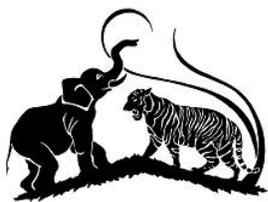
- The Registration of Associations Law 2022 provides for criminal penalties for operating without a registration certificate. However, at least the case outlined above suggests that the authorities do not immediately opt for criminal prosecution.
- If push comes to shove, a company limited by guarantee might not offer much protection. Risk-averse INGOs might therefore wish to consider putting efforts into registering with the Union Registration Board under the Registration of Associations Law 2022.
- INGOs that already set up a company limited by guarantee should monitor developments but not do anything rash. We are not aware of any instances where the fact that an INGO set up a company limited by guarantee impacted this INGO's ability to register with the Union Registration Board or maintain its registration.

(Nevertheless, it should be noted that the Registration of Associations Law 2022 explicitly provides that "complaints" may impact the ability to register.)

- There are INGOs that have, without registering under the Registration of Associations Law 2022 or any of its predecessors, operated in the country for many years through a branch registered with the Directorate of Investment and Company Administration ("DICA"). We are not aware of any instances where these INGOs experienced problems that were specifically due to not being registered with the Union Registration Board. Nevertheless, we think that also these INGOs should monitor developments.
- Disgruntled employees can cause damage to any company or organisation, irrespective of whether it is for profit or not. INGOs facing funding cuts are particularly exposed as they have to let go of employees, but any company or organisation might be at risk. It is therefore important to have procedures in place that limit the disclosure of sensitive information to only those who need to know.

#### (d) Local NGOs

We understand that there are also local NGOs whose members set up companies limited by guarantee, for the same reasons for which this was done by INGOs.



The situation of local NGOs is somewhat different to that of INGOs as (i) they usually do not employ foreigners who would need a visa sponsor, (ii) at least smaller NGOs only require a recommendation from the relevant government department, whereas INGOs in practice seem to need an MoU, in addition to recommendations from the Ministry of Immigration and Population and the Ministry of Foreign Affairs, (iii) they are registered at the township, district, regional/state, or Union level, depending on their area of operation, whereas INGOs must apply to the Union Registration Board for registration, and (iv) smaller NGOs do not need a CPA to audit their annual report.

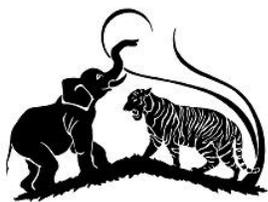
However, we think that, in the same manner that this is so for INGOs, the intention of the military government is for local NGOs to register under the Registration of Associations Law, and that when things are tough, also local NGOs might face scrutiny if its members set up a company limited by guarantee instead.

We therefore think that local NGOs should monitor developments in the same manner that INGOs should. NGOs with risk-averse members might wish to evaluate whether they should register under the Registration of Associations Law 2022 instead of relying on the notion that they are shielded by the company limited by guarantee.

### *CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED*

#### **Signing an undertaking**

1. Regarding the request to investigate the illegal activities of the [INGO] Group, the [...] District General Administration Department forwarded the investigation report to the General Administration Department (Head Office) after the General Administration Department (Head Office) had ordered an investigation. As a result, the [INGO] Group was notified by letter no. [...] dated [...] of the [...] District General Administration Department, issued upon the directive by the [...] Region General Administration Department to summon and notify the [INGO] Group as below to ensure compliance of the activities of the [INGO] Group with the Registration of Associations Law and the laws and directives in force, that being an association, the [INGO] Group must comply with the points below, as the investigation found that keeping an office open was inconsistent with the



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Registration of Associations Law even though the [INGO] Group did not engage in activities of an association:

- (a) To refrain from establishing and operating an association without registration certificate;
- (b) to refrain from maintaining the association after the expiry or cancellation of the registration certificate;
- (c) to re-apply for a registration certificate if the association should continue to be maintained and operated according to the law.

2. We hereby undertake and sign that we are aware of and will comply with the directives in paragraph 1 (a), (b) and (c) above.

(Signature)

[Name]

[Citizenship scrutiny card number]

([Position in the INGO])

(Signature)

[Name]

[Citizenship scrutiny card number]

([Position in the INGO])

### Before us

[Name, civil service staff number]

Administrator

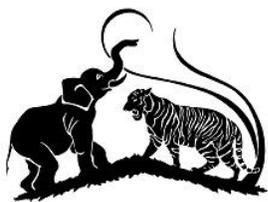
Township General Administration Department

[...] Township

## 2. Export/import seminar

Our firm is in the fortunate position of having a customs officer as an external advisor. Drawing on his expertise, we will hold a seminar on export and import procedures on 2 October 2025, tentatively covering the following topics:

- Obtaining export and import licences
- Export and import handling at Yangon International Airport
- Criteria for selecting passengers and cargo for screening



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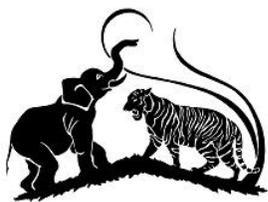
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- Handling of exports and imports by sea
- Export and import of foreign currency
- Repatriation of foreign currency by exporters
- Import of medicines and medical supplies
- Points CMP manufacturers need to be aware of

<b>Date and time</b>	Thursday, 2 October 2025, 2:30pm - 4:00pm
<b>Place</b>	Rose Garden Hotel, 171 Upper Pansodan Road, Yangon
<b>Speaker</b>	Sebastian Pawlita
<b>Language</b>	English
<b>Participation fee</b>	MMK 25,000 per person, payable in cash at the reception desk
<b>Registration</b>	Please register by sending an e-mail to <a href="mailto:info@lincolnmyanmar.com">info@lincolnmyanmar.com</a> , stating the name of your organisation and the names of the participants.
<b>Suggesting a topic</b>	If you wish us to discuss a particular topic at the seminar, please do not hesitate to include this in your registration e-mail; we will be happy to amend the agenda.

We hope that you have found this information useful.

Sebastian Pawlita  
Managing Director



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### About Lincoln Consultancy (Myanmar) Limited

Lincoln Consultancy (Myanmar) Limited provides the full range of legal advisory (through our local lawyers), 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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