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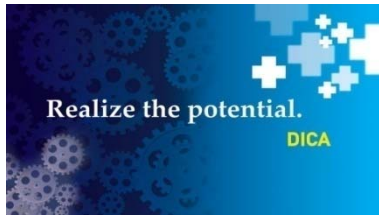
# Myanmar's competitiveness & Investment opportunities (Understanding Business Regulations)

August 1, 2016



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Director

Directorate of Investment and Company Administration  
Ministry of National Planning and Finance



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## Outlines

Reform measures for Investment

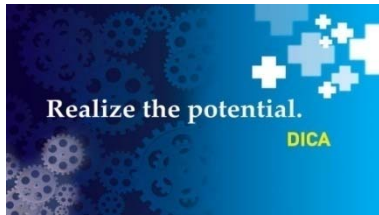
The role of DICA or Regulatory Authority

Ease of Doing Business in Myanmar

FIL and its Provision

Moving Forward for Investment





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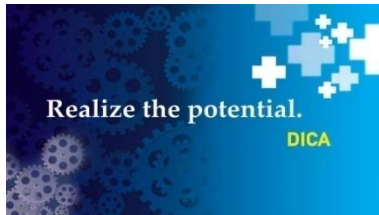
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## Creation of Enabling Business Environment

- ❖ Legal framework : enactment of new FIL, Rules for FIL
- ❖ Policy framework : more open, more transparent
- ❖ Institutional framework : new setup of the MIC
- ❖ Procedural framework : streamlining, simplifying, establishment of OSS





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## Previous Investment Regime Before 2012

### Limitations

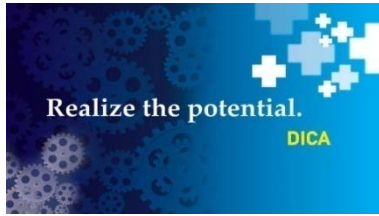
- **To Lease the Land**  
(No option to lease the land from private)
- **Import Goods**  
(No option except MIC permit)
- **VISA**
- **Operating with Foreign Currency**  
MFTB, MICB only

## New Investment Regime After 2012

### Relaxations

- **Right to lease the land from Private**  
FIL Chapter 14, Section 33
- **Issued Import License (MOC)**  
Import goods concerned with projects
- **VISA**  
DICA will recommend
- **Operating with Foreign Currency**  
MFTB, MICB, + Private Banks  
(Now Foreign Banks)





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**DICA- Directorate of Investment and Company Administration**

**DICA- Coordinator of Business Community**

**DICA- Developer of National Economy**

### **Three Options to start a business in Myanmar**

#### **Company Incorporation Or registration by MCA**

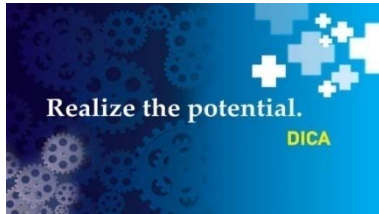
- Incorporation (or)  
Registration
- Permit
- Start
- No Incentives

#### **MIC permission by FIL**

- Submit Proposal
- Permit
- Start
- Enjoy Incentives by FIL

#### **SEZ Management Committee permission by SEZL**

- Submit Proposal
- Permit
- Start
- Enjoy Incentives by SEZL  
(More Advantages)



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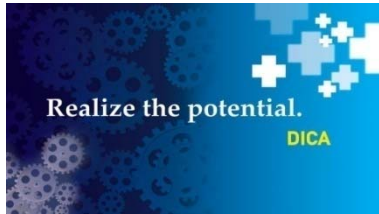
## Legal Framework for Incorporation of Companies or Business Entities

- (Myanmar) Burma Companies Act (1914) -MCA
- 1950 Special Companies Act - 1950 SCA  
(How to incorporate as a Government owned company or JV company with Government's share)

## Types of Companies Accorded by Laws

- **Myanmar Company** (100% Share owned by Myanmar Citizens)
  - Private Co., Ltd. (At least 2 Shares & 2 Directors or Shareholders)
  - Public Co., Ltd. (At least 7 Shareholders up to unlimited)
- **Foreign Company** (At least one share hold by Foreigner/ MCA – Section 2-B)
- **Joint Venture Company** (Incorporated by 1950 SCA)
- **Associations** (Business Entity is prohibited to apply any dividend to its members)

MCA – Section 26



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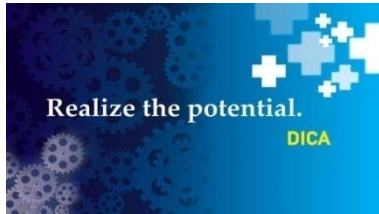
## Summary of procedures for starting a business in Myanmar

### time and cost

No.	Procedure	Time to Complete	Cost to Complete
1.	Passport copy (Person Authorized to accept service in Myanmar) Application form (Duly filled up and signed in DICA) MOA and AOA (Applied by DICA's Sample or Submitted by own institution)	1 day	1000 MMK (≈1 USD)
2	Request temporary business incorporation certificate and Payment of registration fees		0.5 million MMK (<500 USD)
3	Obtain temporary certificate of incorporation(Valid 2 months)	1 day	
4	Pay the stamp duties for MOA or AOA		150000 MMK (<150 USD)
5	Submit Capital Brought-In Certificate and Obtain the permanent certificate	1 day	

**5 steps : 3 days : 650,000 MMK (<650 USD)**

**(Including stamp duties collected by Internal Revenue Department)**



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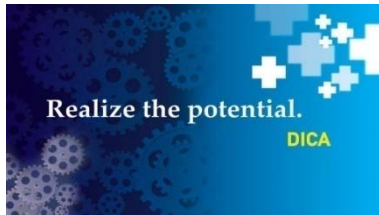
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## Basic Principles for Investment

- Supporting the main objectives of the economic development plan
- Development of employment opportunities
- Promotion and expansion of exports
- Production of import substitution
- Acquisition of high technology and development of manufacturing by high technology







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## Forms of Investment



- **100 % Foreign owned**

It is contributed 100% owned by the foreigner expect for the business prescribed with the notification issued by the MIC



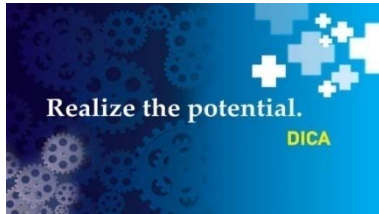
- **A Citizen or Concerned Government Organization**

Joint Venture system with the local partner by the agreement between the two parties



- **Any System Included in the Mutually Agreed Contract**

It will be cooperation system between government and private including BOT system, BTO system



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## Classification of types of Economic Activities (Negative Lists )

### Notification 26/ 2016

- Lists of Economic Activities under Prohibition. 12 Activities to be allowed only in the form of JV . 27 Activities permitted with the specific condition.

## ~~Economic Activities which required Environmental Impact Assessment~~

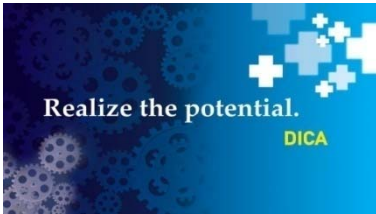
### ~~Notification 50/2014~~

- ~~- EIA . 30 Activities~~

## Investment Business Activities that are not required to grant exemption or relief from tax

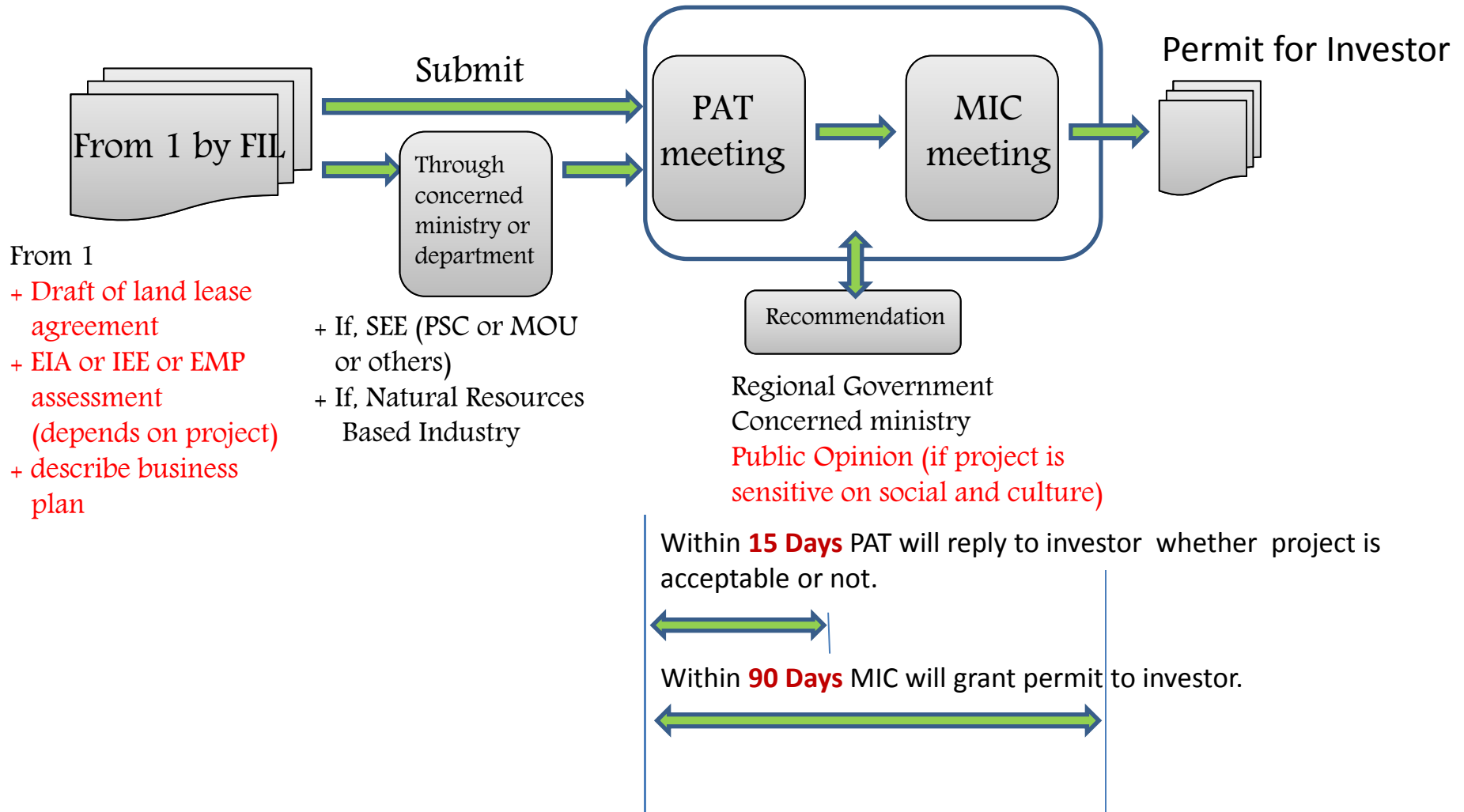
### Notification 51/2014

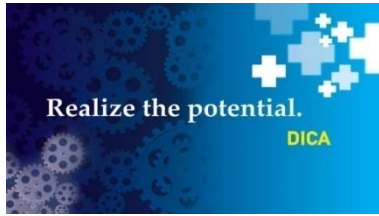
- No exemption on Custom Duty and Commercial Tax. 9 Activities (e.g., Construction and Sale of Building/ Restaurant Business)



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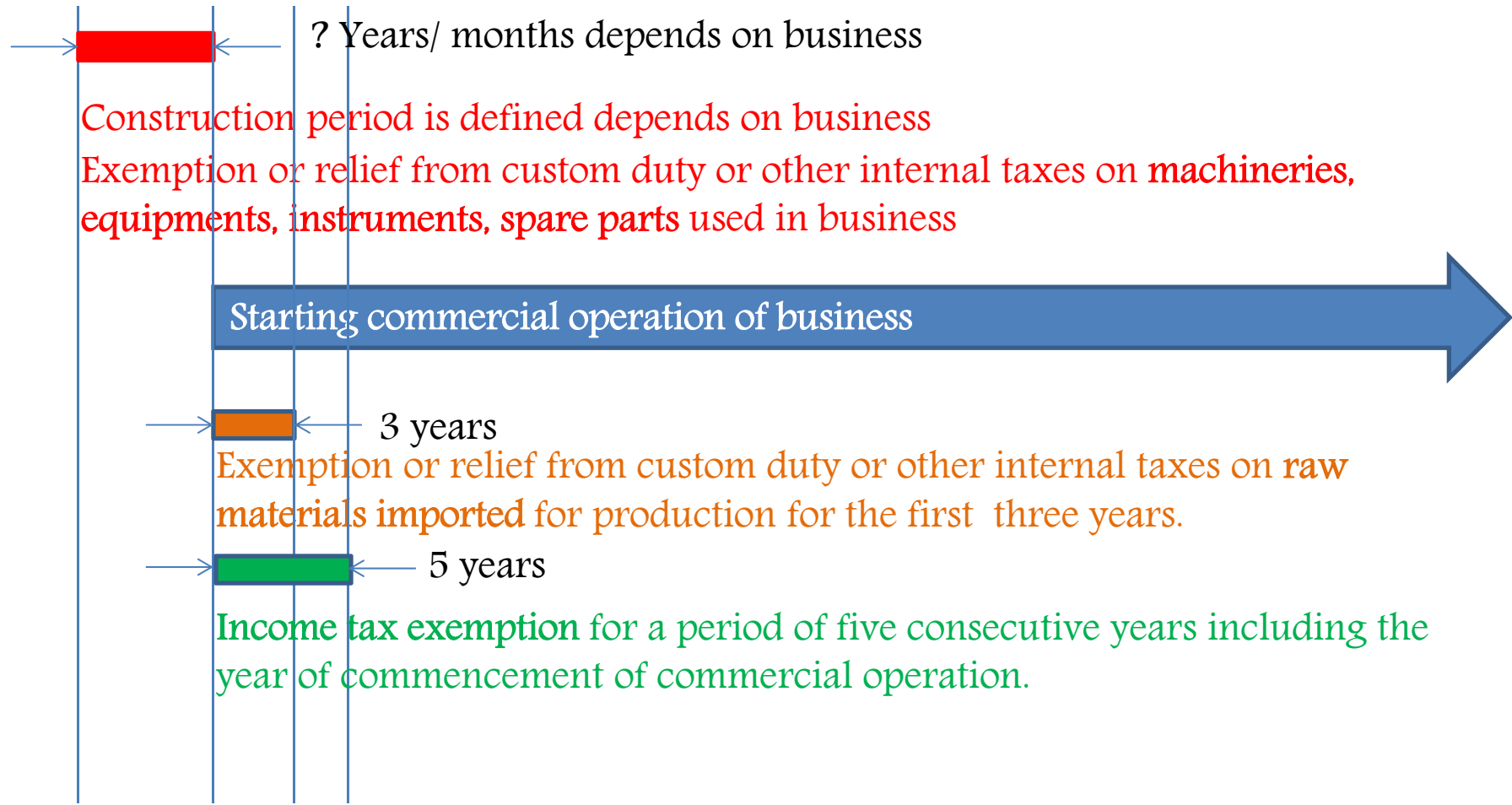
## How to apply a proposal to MIC

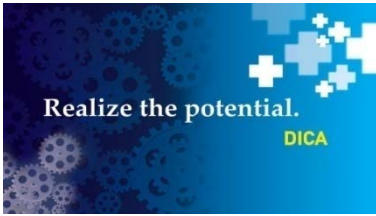




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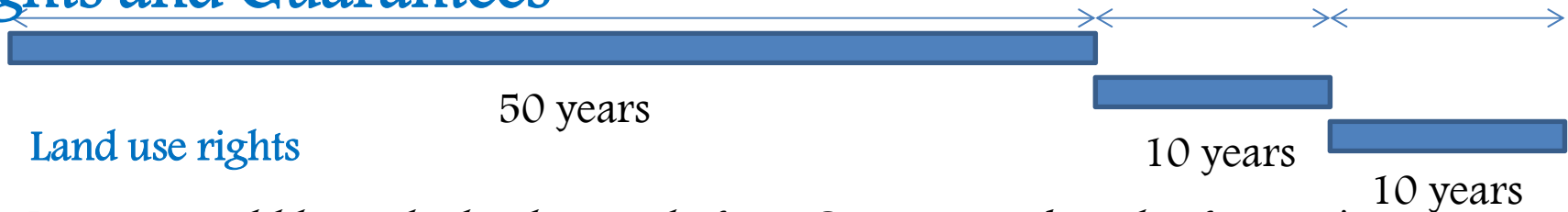
# Exemptions and Reliefs





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## Rights and Guarantees



### Land use rights

50 years

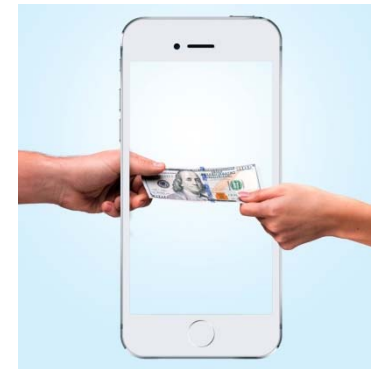
10 years

10 years

Investor could lease the land not only from Government but also form private party for maximum 70 years.

### Right to transfer foreign currency

- Foreign currency be brought in.
- Foreign currency be withdrawn.
- Profit repatriation.



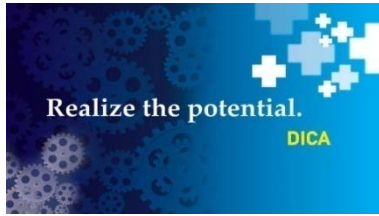
### Guarantees during the permitted period

- No Nationalization.
- No Suspension .

**100%  
GUARANTEED**







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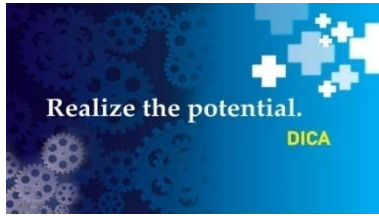
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## Facilitation on Business

- Relaxation of performance requirements
- One stop service
- Coordinate with related government agencies
- Streamline & simplify procedures for investment applications and approval
- Consultation with int'l organization to facilitate investment

Facilitation Skills





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## Moving Forward for Investment

### Unification of two investment laws (Myanmar Investment Law)

- Application process has been changed.
- Income tax Exemption depends on location and promotion sector
- Delegate authority to regional government to allow investment.



**"We must be willing to let go of the life we have planned, so as to have the life that is waiting for us"**  
E M Forster

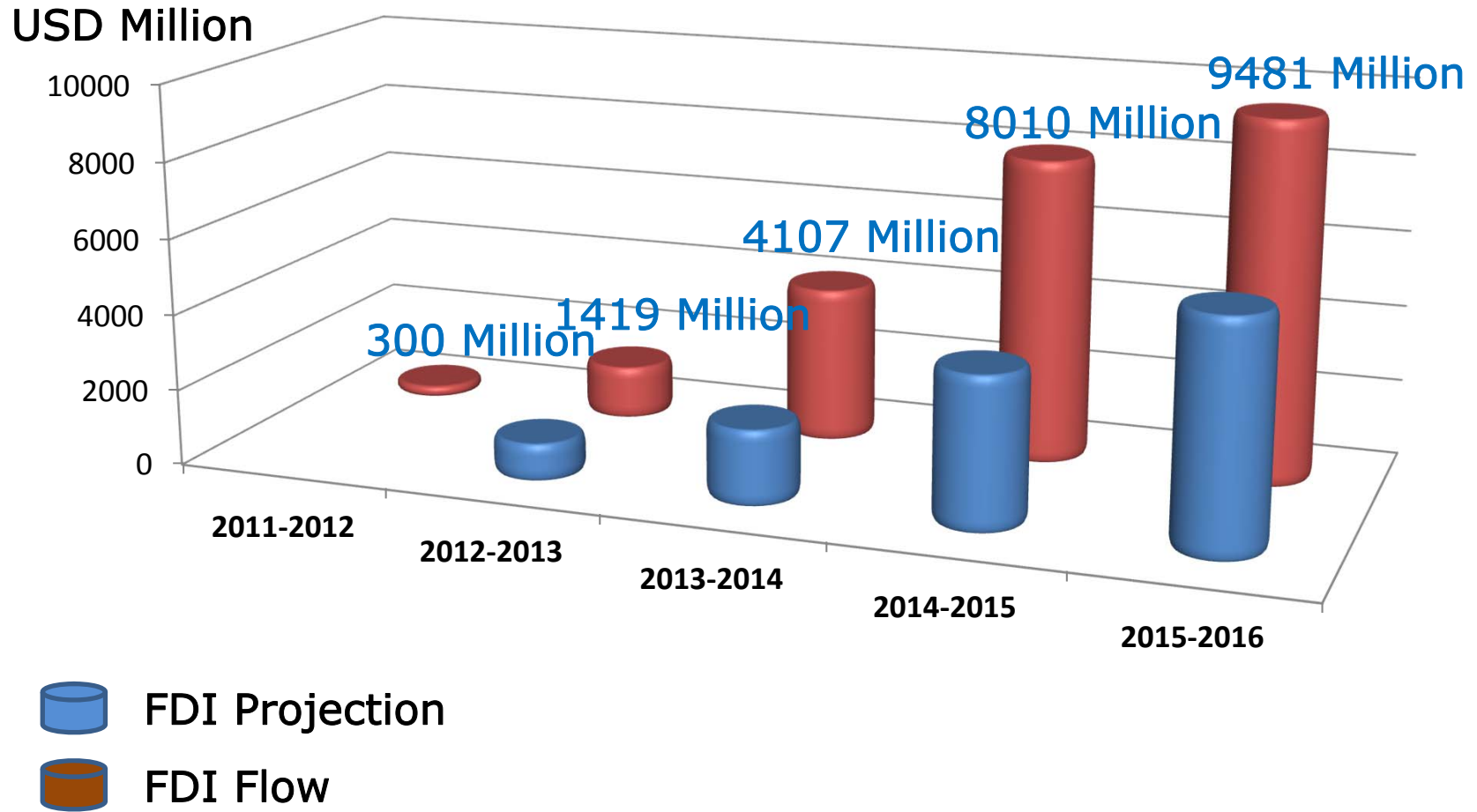
Moving Forward

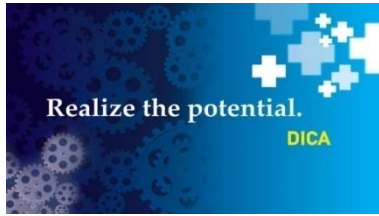




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## FDI Projection and its flow by Financial Year





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# Discussion

Thank you very much indeed for your kind attention.