BNG LEGAL

Doing Business in Myanmar

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INTRODUCTION

In the context of current growing international interest in the reforming economy of Myanmar and the continuing revision of its antiquated regulatory structure, there is growing demand for information and expertise regarding the country's legal environment.

Myanmar presents an attractive commercial prospect with a strategic geographic location between China and India, a sizeable low-cost workforce, a rich supply of natural resources, including fertile agricultural land, and boasts natural and cultural attractions worthy of international tourist attention.

Thus, while Myanmar represents great potential opportunity, investors need to be aware of the ever-evolving regulatory framework in which they are operating and tailor their planning to the realities of the local market. As experts in Southeast Asia frontier markets, BNG can help you effectively do business in this promising, yet challenging, market.

CORPORATE

Legal Forms of Foreign Investment

Foreign investors wishing to carry on business activities in Myanmar can establish a foreign-owned limited liability company, register a branch or representative office, set up a sole proprietorship, or establish a partnership or joint venture.

Limited liability companies

Depending on the business scope of the entity, foreign investors can own up to 100% of limited liability companies or partnerships.

Myanmar law provides for two types of limited liability companies: private and public companies. Currently, there are no foreign public companies in Myanmar. A private limited liability company is required to have at least two shareholders and the number of members is limited to 50. There is no requirement for the shareholders to be natural persons. The transfer of shares to a foreigner, however, is restricted (see section on Mergers & Acquisitions infra).

There must be at least two directors, but neither needs to be a Myanmar resident. Unless there are any stipulations in the Articles of Association to the contrary, decisions are generally made by a majority vote.

Limited liability companies can register either under the 2012 Foreign Investment Law ("FIL") or under the 1913 Companies Act ("CA"). The FIL registration offers specific protections and preferential tax treatment to foreign investors, which are not available under CA registration.

There are different capital requirements for each registration process. The government has not explicitly stated the minimum capital requirement for a FIL company, but USD 500,000 for a manufacturing company and USD 300,000 for a service company are the accepted amounts. Under the CA, the minimum capital requirements are USD 150,000 for a manufacturing company and USD 50,000 for a service company.

To register under the FIL, the company must apply to the Myanmar Investment Commission ("MIC") with several documents. Approval is at the discretion of the MIC and will depend on the details of the project.

The following are some of the documents that are typically required for the application:

- A proposal,
- Copies of contracts or agreements,
- Articles of association of an investing foreign company,
- A feasibility study and a profitability projection statement for the project

period or first ten years including a "cash flow statement",

- Banking references regarding financial standing,
- Lease of land or properties with maps
- For a company, the last two years' annual reports and a

performance guarantee

After a company secures a permit from the MIC, the next step is to acquire a business license from the Directorate of Investment and Company Administration ("DICA"). In order to apply for such a permit, the following documents are required:

- A summary of intended business or economic activities
- A statement of estimated expenditures during the first year of operation,
- Bank references that provide evidence of the financial standing of the subscribers to the

Memorandum and Articles of Association

• A power of attorney in favor of the individual who signs the applications, if he or she is not a subscriber to the proposed company's Memorandum and Articles of Association or one of its proposed directors

• If any of the parties is a company, a Board of Directors' Resolution to incorporate a Company in Myanmar,

• If the Company will be incorporated as a subsidiary of an overseas company, signed accounts of the parent company for the last two years, authenticated and legalized (if the accounts are published and bound properly, notarization is not required).

On receipt of approval, the company will be given a "Permit to Trade" and the "Conditions" attached to the Permit must be agreed upon, signed and then returned to DICA.

Further, at least half of the total registered capital must be in place on registration. The company must remit the other half within one year.

Eventually, the company must register with the Companies Registration Office ("CRO"). The company must submit the application with a photocopy of the business license.

For this process, the following additional documents are required:

• A list of authorized individuals who can accept official notices,

• Particulars of each Director including their address, occupation and nationality,

• Passport copies of directors,

• List of the shareholders and their shareholdings,

• Particulars of each shareholder including their address, occupation and nationality.

The process of company formation under the FIL regime and licensing application generally takes about six months.

The FIL does not specify whether an investor can challenge MIC's denial of their application or approval of an investment adverse to her interests. While Section 18(d) of the FIL appears to allow for the possibility of a legal challenge, section 49 provides that decisions of the MIC under the FIL shall be "final", raising concerns about whether an investor can appeal decisions.

A company does not have to get the approval of the MIC to register under the CA. A business permit from DICA is enough. This permit is usually valid for two years, after which time the company must request renewal. Once a company obtains a permit, the company must register with the CRO. This registration takes about three months. CA registration offers a simplified route to the market. Nevertheless, the legal basis for this process has long been challenged and a major revision is slated for the near future.

Branch Office

A foreign company can also set up a branch office in Myanmar. Most oil companies set up as branches.

Using a process similar to limited liability company registration, a company can form a branch under either the CA or the FIL. Registration fees are currently US$2,500.

Representative Office

It is possible to set up a representative office in Myanmar.

In contrast with a branch, a representative office of a foreign company cannot perform direct commercial activities in Myanmar. A representative office can, however, work in cooperation with its head office and collect data useful for the company.

Joint Venture

Foreign investors can set up their business in the form of a joint venture, as either partnerships or limited liability companies, with any Myanmar partner or with the Myanmar Government.

In all joint ventures, the minimum shareholding of the foreign partner is 35% of the total equity capital. The FIL permits joint venture partners in non-sensitive sectors to determine their respective equity contributions in their own discretion. Foreign ownership in sensitive sectors is capped at 80%.

Nominee structures are possible, but they are considered illegal where they are used to sidestep the requirement of having a Myanmar partner in sensitive sectors.

Restrictions on Foreign Investment

Myanmar currently offers a wide range of possibilities for foreign investment. Nevertheless, depending on the business activities that are involved, several restrictions do apply. The Foreign Investment Rules as supplemented by Notification 1/2013 (together the "Foreign Investment Rules") were issued on 31 January 2013 and set out the following restrictions:

Types of restriction	Categories of business concerned
Investment areas reserved for Myanmar citizens	Manufacturing traditional and religious products (such as traditional medicine and herbal plants, traditional food, handicrafts, religious products.) Services such as private traditional hospitals, ambulance services, medical research and printing and publishing of such.
Prohibited business lines	Printing, publishing and media broadcasting, manufacturing arms and weapons, exploration of jade and gems, energy trading, and certain environmentally hazardous activities, amongst others.
Business lines to be carried out by joint venture	Production/distribution of seeds, production/distribution of certain foods (biscuits, noodles, chocolate), paper manufacturing, pharmaceuticals manufacturing, plastics manufacturing, packaging manufacturing, certain construction and real estate development projects, tourism services, amongst others.
Business lines that require prior approval from a particular Ministry or the Government	Supermarkets/large-scale retail, natural resources, production/distribution of soft drinks, mineral water and beer, power generation, courier services, amongst others.

In addition, certain large-scale or environmentally sensitive investment projects require an environmental impact assessment report.

Foreigners are prohibited from investing in projects that adversely affect the public health; that are detrimental to the environment; that are related to national security; or that are located within 10 miles of a national border.

Investment Incentives & Guarantees

Companies registered under the FIL may be granted a wide range of benefits and incentives at the discretion of the MIC. These incentives include:

- Tax exemption for a period of up to five years, with the possibility of an extension at the MIC's discretion;
- Exemption from income tax on profits, but only if the profits are reinvested within one year;
- Right to accelerate depreciation of machinery, equipment, building or other capital assets used in the business at a rate fixed by the MIC;
- Up to 50% reduction on income tax on profits and exemption from commercial tax for export activities;
- Right to pay income tax payable to the state on behalf of foreign employees, and the right to deduct such payments from assessable income;
- Right to pay income tax on the income of the foreign employees at the rates applicable to citizens residing within the country;
- Right to deduct expenses incurred in Myanmar on research and development related to the business from assessable income;
- Right to carry-forward and set-off losses for up to three consecutive years from the year the loss is sustained;
- Exemption or relief from customs duty on machinery equipment, instruments, machinery components, spare parts and materials used for set up and on raw materials imported for the first three years' commercial production following the completion of plant construction;
- Exemption or relief from customs duty or other internal taxes on machinery equipment, instruments, machinery components, spare parts and materials used in the business that are imported as they are actually required for use during the period of construction.

The FIL provides that an economic enterprise with an MIC permit cannot be nationalized during the term of the contract or at its expiration. The government ensures that investors are able to remit profits to investors' respective countries of origin in foreign currency.

Special Economic Zones

In addition to foreign investment made under the FIL or the CA, foreign investors may choose to invest in one of the Special Economic Zones ("SEZ") as set up under the Myanmar Special Economic Zone Law (2011). The Myanmar SEZ Law prescribes general rules for any SEZ, however each SEZ is also governed by its own laws.

Thus far, three key SEZ projects have been announced:

- The Dawei Special Economic Zone in the Southern Taninthayi region, in cooperation with Thai investors
- The Kyaukphyu Economic and Technology Zone in the Western Rakhine State, in cooperation with Chinese investors
- The Thilawa Port Special Economic Zone near Yangon, in cooperation with Japanese investor investors

New industrial zones have already been announced for Tatkon in the capitol of Nay Pyi Taw; Yadanarbon in Mandalay; Hpa-an, Myawaddy and Phayathonzu in the Kayin State; Ponnagyun in the Rakhine State and Namoum in the Shan State.

Dawei is the most developed SEZ to date. Dawei SEZ Law provides incentives such as up to 75 years land use tenure for large-scale projects.

The Central Body for Myanmar SEZs is responsible for dealing with applications from foreign investors for projects under SEZ laws and for granting relevant tax exemptions and relief.

SEZ laws contain provisions relating to developers and investors, exemptions and relief, various restrictions, the duties of investors, land use, banks and finance management, insurance business, management and inspection of commodities by the customs department, quarantines, labor and guarantee of non-nationalization.

TAXATION

In April 2014, the Union of Myanmar Revenue Law of 2014 and four important tax bills became effective. The new Revenue Law introduces changes to the rates for income tax and commercial tax withholding that used to set by Notifications from the Minister of Finance. The other new laws include significant amendments to Commercial Tax Law (1990) and the Income Tax Law (1974).

Taxation of Companies

Scope

Companies registered under the CA are considered residents of Myanmar for tax purposes irrespective of the absence of effective management in Myanmar. These companies are taxed on their world-wide income, meaning additional incomes sourced outside of Myanmar. Companies registered under the FIL, however, are not taxed on their foreign income.

Non-resident entities and branches of foreign companies are taxed only on income from sources within Myanmar.

Partnerships are taxed as entities and not on the individual profit shares of the partners.

Tax rates

Corporate tax rates vary depending on the type of taxpayer and the nature of income. The current rates in Myanmar are as follow:

Category of taxpayers or incomes	Tax rate
Companies incorporated under the CA	25%
Companies operating under the FIL	25%
Foreign organizations engaged under special permission in State-sponsored projects	25%
Non-resident foreign organizations	35%

Capital gain taxes	
- Resident tax payer	10%
- Non-resident tax payer	40%
- Transfer of shares in oil and gaze companies	40-50%

Tax administration

The tax year follows the fiscal year, starting April 1 and ending March 31.

Companies must file the annual tax return with the IRD by June 30 the following income year.

Companies must file tax returns for capital gains within one month from the date of the disposal of the capital assets. The date of disposal refers to the date of the execution of the deed of disposal or the date of the delivery of the capital assets.

When a business is dissolved, an income tax return must be filed within one month from the time the business was discontinued.

An enterprise in Myanmar must pay advance tax on a monthly or quarterly basis, which is based on the estimated total income for the year. The advance payments and any taxes withheld will be factored into the calculation of the actual assessment. The date for settling the final tax liability is specified in the notice of demand by the IRD.

The statute of limitations on an assessment is three years after the financial year ends but is tolled in cases of fraud.

Taxable income

Income tax is charged on the total income of an enterprise. The total income is computed under each of the following headings:

- Profession
- Business
- Property
- Income from other sources
- Income from undisclosed sources.

Income from capital gains is assessed separately. Income from movable property is treated as business income as well as interest income even if it is not derived from a business source.

Deductions

In respect to business income, deductions are allowed for expenditures incurred for the purpose of earning income, a depreciation allowance is also permitted including an initial depreciation allowance on capital assets.

Income from movable property is considered business income and a depreciation allowance is permitted. Income from immovable property is generally computed in the same way as business income except that there is no depreciation allowance.

Deductible expenses also include statutory expenses such as approved pension fund contributions. Bad debts are deductible, but only after they are written off.

Finally, donations or funds given to approved charitable or religious institutions are deductible, however this is limited to 25% of total taxable income.

Non-deductible expenses include capital expenditures, personal expenditures, expenditures that are not commensurate with the business, or payments made to any member of an association of persons other than a company or a cooperative society, or any other inappropriate expenditure.

Capital Gains Tax

Income tax is levied on gains from the sale, exchange, or transfer of capital assets. Capital assets represent any land, buildings, vehicles, or other assets of an enterprise. If intangibles correspond to the definition of capital assets, capital gains arising from such assets are also taxable.

A capital gain is calculated based on the difference between the sales proceeds and the cost of the asset, less the accumulated tax depreciation allowed under Myanmar tax laws.

Capital gains are taxable at 10% for resident taxpayers and 40% for non-resident tax payers. Capital gains for shares in oil and gas companies are subject to between 40% and 50% tax.

Dividends

Dividends are not subject to income tax under Myanmar law.

Withholding tax

Any person making any of the following payments is required to withhold income tax at the time of payment at the rates listed below. The tax withheld is to be paid to the IRD within seven days of withholding.

Types of payment	Rate applicable to Residents	Rate applicable to Non-Residents
Interests	N/A	15%
Royalties	15%	20%
Payments for purchases of goods in the country under any contract or agreement, or any agreement by State Organizations, Development Committees, Co-operatives, Partnerships, Companies and Organizations established under any existing law.	2%	0%
Payments for services made within the country under any contract or agreement or any agreement by State Organizations, Development Committees, Co-operatives, Partnerships, Companies and Organizations established under any existing law.	2%	3.5%
Payment for services and purchases of goods within the country, under any contract or agreement or any agreement by a foreign entrepreneur or a foreign company.	2%	3.5%

Tax losses

Taxpayers are entitled to carry losses forward for up to 3 years except in the case of capital losses and shares of losses from associations of persons. Losses, however, cannot be carried back.

Double tax agreements

The Income Tax Law ("ITL") provides if Myanmar and a foreign state sign and notify an agreement relating to income tax, the agreement will be followed notwithstanding anything to the contrary contained in any other provisions of the ITL.

Myanmar has entered into Double Tax Agreements ("DTA") with the United Kingdom, Singapore, Malaysia, Vietnam, Thailand, India, Bangladesh, Indonesia, South Korea, and Laos. Nevertheless, only the agreement with the United Kingdom has been notified in the Myanmar gazette. Therefore, the application of the other DTAs is technically at the discretion of the tax authorities.

Anti-avoidance

The authorities can carry out assessments and reassessments if a tax payer tries to evade taxes through fraud. There is no statute of limitations in Myanmar for tax fraud. Penalty taxes of up to 50% can apply. Tax evasion is also a criminal offence, punishable by three to ten years imprisonment.

There are currently no transfer pricing rules, no thin capitalization legislation, and no specific controlled foreign company provisions in Myanmar.

Taxation of Individuals

Scope

A person domiciled in Myanmar is deemed a resident. In the case of foreigners, those who reside in Myanmar for at least 183 days during the income year are considered resident foreigners. Otherwise, the foreigner is a non-resident.

Residents of Myanmar are liable for personal income tax and profit tax on Myanmar and foreign sourced income. Non-residents are subject to income tax and profit tax on Myanmar source income only.

Expatriates working for FIL companies are treated as resident foreigners regardless of their period of stay in Myanmar. However, they are not taxed on their personal foreign income that does not arise out of Myanmar.

Tax rates

Personal tax rates vary depending on the type of taxpayer and the source of income.

Residency Status	Income	Tax Rates
Resident Citizen	All sources of income	1% to 20% on employment, 2% to 30% on income other than salaries, at progressive rate
Foreigner working on a government project	Income received in the country	20%

Resident foreigner	All sources of income inside the country	1% to 20% on employment, 2% to 30% on income other than employment salaries, at a progressive rate
Non-resident foreigner (DTA applicable for certain countries)	Income received in the country	35%

Taxable income

Employment income includes salary, wages, pensions, bonuses, fees, commissions received and receivable, profits as well as any subsidies or contributions on behalf of an employee (such as a provident fund) and any interest received there on but excluding any interest received from one's own contribution to the Government Provident Fund.

Taxable non-employment income includes:

- Business income (e.g. income from moveable properties, royalties and interest);
- Income from a profession. Profession is defined as the rendering of a service with one's skill for fees, and includes services rendered by doctors, nurses, lawyers, engineers, architects, film stars, theatrical artists, writers, painters, sculptors, accountants, auditors, astrologers and teachers;
- Capital gains from the sale of capital assets;
- Other income from investments, except dividends received from an association of persons who are exempt from income tax.

Exemption and personal allowance

Employees are granted an annual exemption for MMK 1,440,000 (approximately USD 1,485). In addition, resident employees with children under the age of 18 without income and children above 18 that are receiving educational instructions, are granted relief of MMK 200,000 (around USD 207) per year per child. Furthermore, relief of MMK 300,000 (approximately USD 310) per year is granted for employees supporting a spouse.

Tax issues

Tax deducted from employee compensation is payable to IRD in monthly or quarterly installments. Tax deducted from income other than from employment is payable to IRD within seven days from the date of deduction.

Employers are required to withhold income tax from salaries and other benefits paid to employees.

If the employer fails to deduct and pay the tax, she is in default and is responsible for payment. The employer is also responsible for filing the annual salary statement within three months of the end of the fiscal year. Failing to respect this deadline may result in a 10% penalty of the amount of tax to be deducted on annual salaries.

All individuals with earnings not from employment are required to submit an annual personal income tax return to the IRD by June 30.

Additional tax or refund will be incurred based on the return submitted. Claims for refunds must be made within one year of receipt of the confirmation letter from the IRD.

Social security contributions

An employer with more than five workers is required to provide social security protection to her workers.

The rates of contribution by employees are 1.5% and 2.5% of the total salaries and wages respectively. The old Social Security Act (1954) set these rates. A new Social Security Law (2012) has been enacted but it has yet to come into force and there have been no notifications of any changes at present.

Commercial Tax

Commercial tax is levied as a turnover tax on goods and services. It is not an added value tax but an additional tax upon specific commercial transactions listed in the Commercial Tax Law. This tax is imposed on a wide range of goods and services supplied in Myanmar on the importation and exportation of goods.

For goods and services supplied in Myanmar, commercial tax is imposed at the time of supply and charged on the sales receipt.

For the import of goods, commercial tax is collected by the Myanmar Customs Department at the point of importation and charged on the landed cost.

The commercial tax is applicable as follows:

- Essential and basic commodities (products specified in Schedule I) are not subject to tax if they are produced in Myanmar, but subject to 5% tax if produced outside Myanmar.=
- Majority of products (as specified in Schedule II to V) are subject to 5% tax for both locally manufactured and imported products. If the goods are sold from approved industrial zones, the applicable commercial tax is 3%.
- Specific commodities (products specified in Schedule VI) are subject to tax at a range from 8% to 100%.
- Services (as specified in Schedule VII) are subject to 5% commercial tax.

The export of goods under Schedules I to VI is generally not subject to commercial tax with the exception of the following five categories:

- Petroleum crude 5%
- Natural Gas 8%
- Jade and other precious stone 30%
- Teak log and teak conversion 50%
- Hardwood log and hardwood conversion 50%

Stamp Duty

Stamp duty is applicable in a number of transactions as shown in the examples below:

- Sale or transfer of immovable property (outside Yangon) – 5% of the value.
- Sale or transfer of immovable property (inside Yangon) – 7% of the value.
- Rental of immovable property – contract for between one year and three years – 1.5% of the value.

- Rental of immovable property – contract for more than three years – 5% of the value.
- Sale or transfer of shares – 0.3% of the value.
- Sale or transfer of bonds - 2% of the value.
- Sale or transfer of property for inheritances – 2% of the value.

Property Tax

Immovable property situated in Yangon is subject to property taxes including the general tax (20%), lighting tax (5%), water tax (12%) and a conservancy tax (15%). Foreigners are prohibited from owning immovable property in Myanmar.

Customs Duty

Most imported goods are subject to customs duties on importation and must be declared to the Myanmar Customs Department. Currently, customs duty is levied at rates generally ranging from 0% to 40%. Export duties are leveled on exported goods that are commodities.

INTERNATIONAL AGREEMENTS

World Trade Organization

On 21 February, 2013 a new World Trade Organization ("WTO") reference center opened in Myanmar. Myanmar is a long-standing member of the WTO. Nevertheless, because it is considered a "least developed country," Myanmar has not been required to make substantial concessions in offering market access, in maintaining most-favored nation status, or in guaranteeing the non-discriminatory treatment of foreign investors.

Other International Treaties

Myanmar is a party to certain multi-lateral investment treaties, including the ASEAN-Australia-New Zealand Free Trade Area, and the Bay of Bengal Initiative for Multi-Sector Technical and Economic Cooperation, a broad reaching treaty that aims to establish a free trade area by 2017 among Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand.

Myanmar has also entered several bilateral investment agreements with China, India, Kuwait, Laos, the Philippines, Thailand, and Vietnam. These agreements permit favorable treatment for investors from member countries in numerous service sectors.

The FIL provides that international treaty obligations take precedence over domestic law. Although this includes market access commitments made by Myanmar in multi-lateral trade and bilateral investment agreements, enforcement mechanisms for these commitments remain limited.

LAND OWNERSHIP

Foreigners cannot own land in Myanmar but they can lease. Under the FIL, foreign companies may lease land from the government or from private citizens for up to 50 years. This initial term may be extended for two additional periods of 10 years, which are subject to the approval of the MIC. Concerning rent, the FIL provides that the MIC will be in charge of determining the amount of the rent, and they will submit such value to the foreign investor after obtaining governmental approval. If the investor accepts the proposition, the MIC will issue an investment approval.

EMPLOYMENT LAW

The FIL permits foreign-invested companies that operate in sectors that require skilled personnel to employ up to 75% foreign employees for the first two years of operations; and then to 50% for the following two years; and finally to 25% or less for the 5th and 6th years of operations.

Companies interested in employing foreign skilled personnel must:

• Disclose the number of foreign employees in the investment application form submitted to the MIC.

• Obtain an MIC permit; apply for an appointment and stay-permit.

• With the endorsement of the MIC, the company must apply for a work permit from the Ministry of Labor and apply for a stay permit and visa from the Ministry of Immigration.

BANKING

Myanmar's banking system requires a complete overhaul if it is to meet international standards. Less than 10% of Myanmar citizens have a bank account. The use of ATMs remain a novel experience. Limited access to everyday banking facilities means limited access to credit and capital, which means major constraints to doing business in Myanmar. Thus, a complete restructuring of the banking system is one of the top priorities for the government.

Overseas banks are not permitted to operate directly in Myanmar, but under the FIL, foreign banks can set up representative offices and operate joint venture arrangements with local banks. As of 2013, 24 representative offices of foreign banks had opened in Myanmar. Most of these banks are Asian: for example, Thailand (Siam Commercial Bank, Krung Thai Bank, Kasikornbank), South-Korea (Shinhan Bank, Hana Bank, Woori Bank) Taiwan (First Commercial Bank), China (Industrial and Commercial Bank of China Ltd.), Japan (Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Corporate Bank Ltd.) and Singapore (DBS Bank Ltd., Overseas-Chinese Banking Corporation Ltd).

The first western bank to open a representative office was Standard Chartered from the UK, which set up in February 2013. Western Union and MoneyGram, together with local banking partners, have started joint ventures enabling person-to-person money transfer services from all over the world to Myanmar.

The Central Bank of Myanmar has also eased some of the banking rules and regulations. It has extended the currency exchange and money transfer services to 19 privately owned Myanmar banks.

Finally, foreign owned businesses are permitted to open USD accounts in local banks. Debit and credit card systems were introduced recently and international cards are now in use.

MERGERS & ACQUISITIONS

Traditionally, it was not possible for foreign investors to acquire shares from local Myanmar shareholders and foreign investors were only permitted to acquire shareholdings from other foreign investors.

The FIL is silent on M&A investments for foreign investors. The Foreign Investment Rules, however, appear to permit the acquisition of shares from Myanmar shareholders in foreign-invested enterprises. While this would still only allow foreign investors to acquire shares in joint venture companies, the new rules indicate a gradual loosening of previous restrictions. Nevertheless, there are still foreign-ownership limits on approval and other restrictions in place by the MIC for any type of transfers.

INTELLECTUAL PROPERTY

Myanmar is a long-standing member of the World Intellectual Property Organization ("WIPO"). Although it has yet to implement the TRIPS Agreement, the government and lawmakers have been working in cooperation with WIPO to draft new IP laws for the country.

Myanmar trademark protections, for instance, are poised to shift from a first-to-use system based on colonial British statutes and case law to a first-to-file system drafted in cooperation with WIPO. The change was initially expected to occur in 2013 but is now set for the summer of 2014

A new Patents and Designs law is also currently being drafted with the aid of WIPO. Until this new law comes into effect, patents and designs may be registered under the existing Registration Act (1908).

The Myanmar Copyright Act of 1914, which is currently in effect, is also due to be upgraded with a new law. A final draft is now awaiting approval.