

Realize the potential.

DICA

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Office No(32), Directorate of Investment and Company Administration  
Ministry of National Planning and Economic Development, Nay Pyi Taw  
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# Myanmar Foreign Investment Framework

## 19<sup>th</sup> November 2013

By Myo Min

## Images of Myanmar

### The Republic of the Union of Myanmar

**The New Government has** taken its duty of the state since 31<sup>st</sup> March 2011

### Reforms

**Focusing on *Politics*:** National Reconsolidation , Peace and Stability , Freedom of Media

**Focusing on *Economic Development*:** Invite more FDI, Change Trade Policy,  
Monetary & Finance Policy

**Focusing on *Administrative Measures*:** Good Governance, Clean Government and  
Efficient Administration

**Focusing on *Private Sector Development*:** SMEs Development, To be a modernized  
developed industrialize nation

## DICA- Directorate of Investment and Company Administration

### Two Functions

#### Company Incorporation

- Registration
- Permit
- Start
- No Incentives

#### MIC Secretariat

- Summit Proposal
- Permit
- Start
- Enjoy Incentives

- Modes of Doing Business in Myanmar, Company Incorporation is essential in both ways

## Past

### Limitations

- To Lease the Land
- Import License
- VISA
- Repatriation

## Present

### Facilitations

- Notification No. 39/2011
- Issued Import License (MOC)  
Something directly with  
your business
- VISA (DICA will recommend)
- Notification No. 40/2011

## **Laws related to incorporation of companies**

- **The Myanmar Companies Act 1914**
- **Special Companies Act 1950**
- **Myanmar Companies (Amendment) Act 1955**
- **Myanmar Companies Regulations 1957**

## **Investment Laws**

- **Foreign Investment Law (2<sup>nd</sup> Nov 2012)**  
**Foreign Investment Rules (31<sup>st</sup> Jan 2013)**
- **Special Economic Zone Law (2011)**
- **Dawei Special Economic Zone Law**

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## Potentials of Myanmar

- Over 60 million population with working age of 37.35 million, 62.25% of total population
- Over 91% of population is literate
- Much of Myanmar's intellectual speaks English
- Relatively low wage

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## Road Map for FDI

- Labor Intensive
- Export-oriented value-added Industry
- Hi-tech and Heavy investment

## Form 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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## **MIC- Myanmar Investment Commission**

MIC is formed according to the Foreign Investment Law

MIC is composed with 11 members, 5 from Governments, 6 from private sector.

### **3 ways to submit the proposal to MIC**

**Foreign Investment which is connected natural resources based Industry**

**State owned Economic Enterprises**

**Investment not included in above 2 categories**



50 years

10 years

10 years

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

? Years/ months depends on business

Construction period is defined depends on business

Exemption or relief from custom duty or other internal taxes on **machineries, equipments, instruments, spare parts** used in business

Starting commercial operation of business

3 years

Exemption or relief from custom duty or other internal taxes on **raw materials imported** for production for the first three years.

5 years

**Income tax exemption** for a period of five consecutive years including the year of commencement of commercial operation.

## Definition of Foreign Investment Law

- **Appoint Citizens employees, technicians and service personnel for skilled businesses as follows :**

**First 2 years                      25%**

**Second 2 years                      50%**

**Third 2 years                      75%**

- **Unskilled labor must be Myanmar Citizen only**

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## Protection for Foreign Investment

**Dispute settlement mechanism**

**State guarantee**

**No nationalization**

**No termination during the permitted period**

**Right to transfer & repatriation**

## Facilitation on Business

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

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**For more Information:**

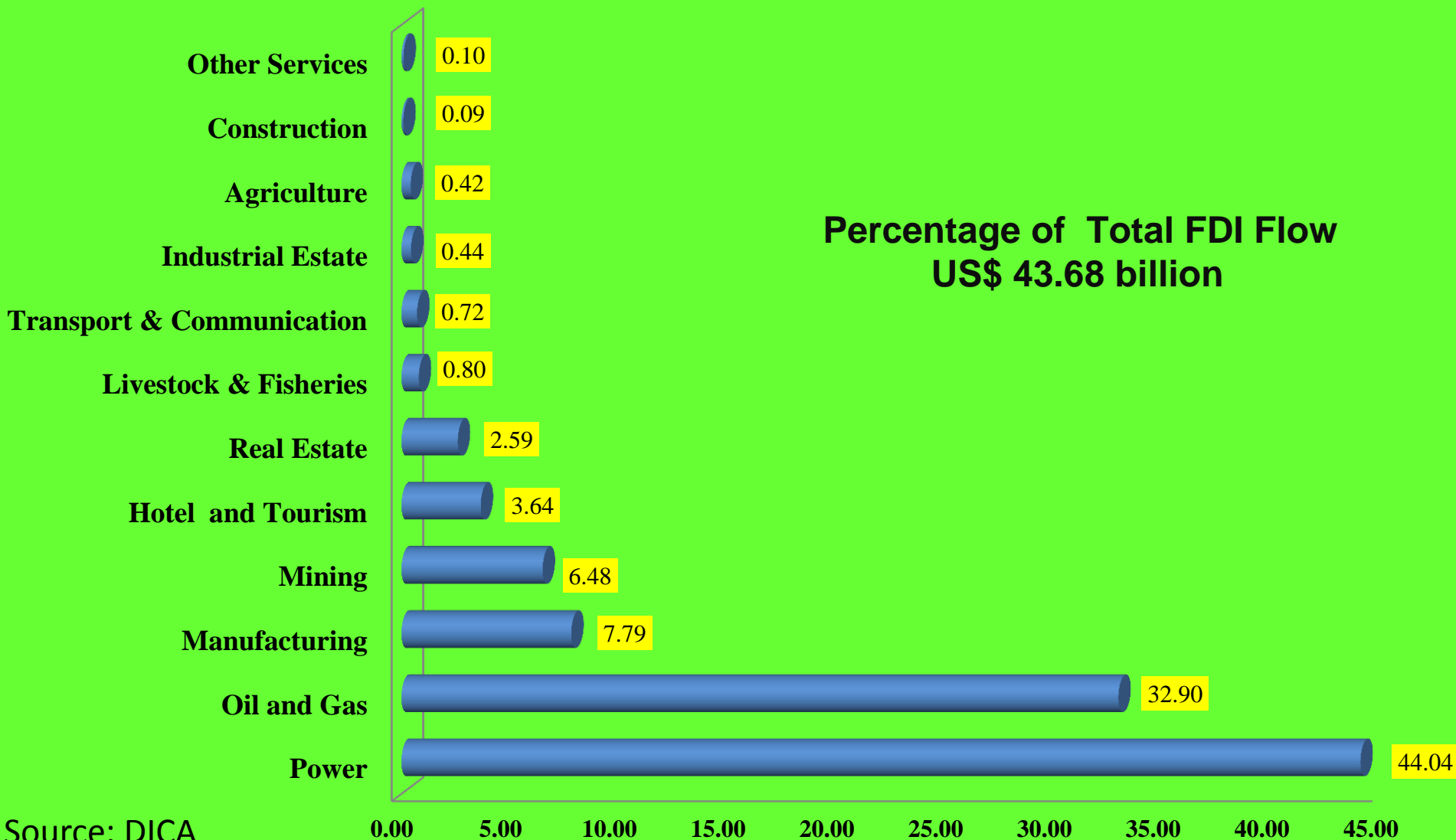
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# Q&A

**Thank you very much indeed for your kind attention.**

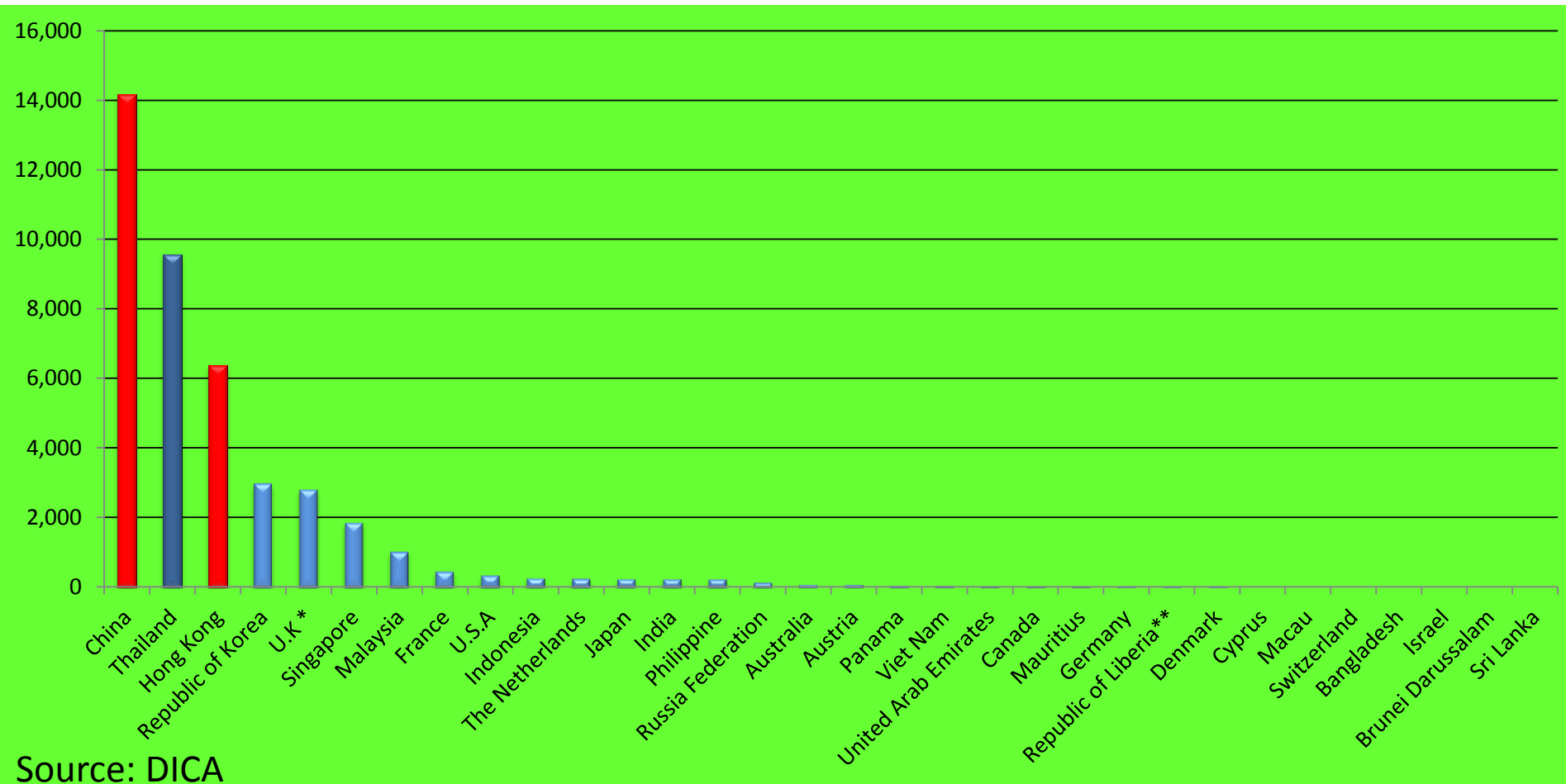
# FDI Flows by Sector as of August 2013



# Investment in Myanmar

## Foreign Investment of Permitted Enterprises ( August 2013) (By Country)

(US\$ in Million)



Source: DICA