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Rödl & Partner
Wholesale in Myanmar - Legal Aspects

May 3, 2018

About us

- Rödl & Partner was founded by Dr. Bernd Rödl in 1977 as a single practice in Nuremberg/Germany
- As an integrated professional services firm, Rödl & Partner is worldwide active. We owe our dynamic success in the service lines audit, legal, management and IT consulting, tax consulting as well as tax declaration and BPO to our entrepreneurial minded partners and colleagues
- We are ONE firm, no network or franchise-system
- Your one-stop shop for:
legal, tax, tax declaration and BPO,
management and IT-consulting, audit
- Since 1994 we have expanded to Asia and currently have offices in China, India, Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam
- Our Yangon office has opened in 2014



4.500 colleagues – 108 offices – 50 countries
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Wholesale in Myanmar

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Wholesale in Myanmar – Legal Framework

Current Legal Framework

- Numerous Laws and Regulations
 - Export and Import Law 2012
 - Sale of goods Act 1937/Contract Act 1872
 - Myanmar Investment Law 2016
 - as well as ministerial policies and practices

Ban on Trade

- Most trading activities are prohibited for foreign investors, with the exception of sales of goods produced by foreign companies in Myanmar

Notification No. 15/2017 to Myanmar Investment Law

- 2017 April: Wholesale and Retail trading are permitted to foreign investors, subject to approval of the Ministry of Commerce (the according criteria are **not** released yet!)

Liberalization before the Myanmar Investment Law 2016

- 2015 March: Notification No. 20/2015: Foreign and Myanmar owned JV companies - Import and sale of new automobiles
- 2015 November: Instruction No. 2/2015: Trading activities permitted for foreign Investors in the Thilawa Special Economic Zone (subject to certain requirements)
- 2016 July: Notification No. 56/2016: Foreign and Myanmar owned JV companies - Import and sale of construction materials
- 2017 February: Notification No. 14-17/2017: Foreign and Myanmar owned JV companies - Import and sale of new and used motor-vehicles, construction machinery and project equipment

Liberalization after the Myanmar Investment Law 2016

- 2017 June: Notification No. 36/2017: 100% foreign-owned companies - Import and sale of chemical fertilizers, seeds, pesticides, hospital equipment and constructions materials
- 2017 November: Notification No. 55/2017 : Foreign owned JV - Import and sale of Farm equipment like pipes, tires, cutting edges-machines, pumps and farming vehicles
- Recently foreign Service Companies can import and sell spare and replacement parts to their customers

Requirements for Wholesale in the Thilawa SEZ

- Either Value Adding Activities, such as repacking, labelling or any other form of processing
- Or Value Adding Services, such as quality control, testing laboratory, maintenance or any other technical services
- Establishment of an own warehouse in the SEZ
- Investment (excluding leasing costs) of a minimum of 2 million USD for own products and 3 million USD for other products
- Additional Requirements for wholesale of other products:
 - 10 years trading experience; established places of business in at least 5 countries
 - Annual consolidated sales above 500 million USD; minimum paid up capital of 25 million USD

What are the possible requirements in the future?

- Prior approval from the Ministry of Trade (expected timeline 6-7 months)
- For Joint Venture (up to 80% foreign capital) minimum capital requirement of 3 Million USD
- For 100% foreign companies minimum capital requirement of 5 Million USD
- Minimum requirement for the size of the wholesale service center of 10,000 sq. ft. (roughly 930 sq. meters)
- MIC-Permit not officially required
- Requirements of parent company?

Draft Companies Regulation (2 May 2018)

New Myanmar Companies Law, expected to come into force 1st of August 2018

- Introduction of an Electronic Registry System
- All existing companies will have to re-register
- Re-registration period of 6 months
- No new legal entity; no effect on rights, liabilities, obligations, ongoing proceedings
- If not re-registered, company will be resolved; but all liabilities of every director and shareholder shall continue as if the company still existed

Contact



Lutz Koch

Attorney-at-Law (Germany); Senior Associate

Rödl & Partner Myanmar

No. 10, 8/F Myanmar Centre Tower 1,
192 Kabar Aye Pagoda Road,
Bahan Township, Yangon

Phone: +95 1 93 45 242

Fax: +95 1 93 45 243

E-Mail: lutz.koch@roedl.pro

Thank you!

Please do not hesitate to contact us if you have any questions.



„Each and every person counts“ – to the Castellers and to us.

Human towers symbolise in a unique way the Rödl & Partner corporate culture. They personify our philosophy of solidarity, balance, courage and team spirit. They stand for the growth that is based on own resources, the growth which has made Rödl & Partner the company we are today. „Força, Equilibri, Valor i Seny“ (strength, equilibrium, valour and common sense) is the Catalan motto of all Castellers, describing their fundamental values very accurately. It is to our liking and also reflects our mentality. Therefore Rödl & Partner embarked on a collaborative journey with the representatives of this long-standing tradition of human towers – Castellers de Barcelona – in May 2011. The association from Barcelona stands, among many other things, for this intangible cultural heritage.