

## **REQUIREMENT FOR FOREIGN TRADE IN SERVICES**

### **MYANMAR**

#### **General Limitation**

- Commercial presence of foreign services supplier and/ or providers are allowed in the form of: in accordance with Myanmar Companies Act 1914, Partnership Act 1932, Special Company Act 1950, Union of Myanmar Foreign Investment Law (1988), Union of Myanmar Citizens' investment Law (1994).
  - 100% Foreign Investment, or
  - Joint Venture with a Myanmar citizen or enterprise with a minimum of 35% equity in the form of sole proprietorship, partnership or limited company.
- Minimum share capital requirements for companies and branches are as follows,
  - Services company - equivalent of K 300,000 in USD.
  - Industrial company - equivalent of K 1000,000 in USD.
- Any expatriate engaged in joint venture, representative offices or other types of Juridical person and/or individual services provider shall receive the approval of the respective authority.
  - He/She shall also register with the Department of Labour, under the Ministry of Labour;
  - The duration of registration is six months;
  - The registration fee is 5 FEC for one person.
- Business Visa is permitted up to 70 days with possible extension:
  - Up to 3 months (36 US\$)
  - Over 3 months (90 US\$)
- Foreigners at management level are allowed to stay up to one year and may be extendable there on subject to the approval of concerned agencies.
- For the recognition of educational and technical standard certificates, Myanmar will only determine equivalence based on syllabus, contents, volume and time frame submitted by the respective countries in the English language.
- Foreign organizations and persons are not allowed to own land in Myanmar. Land may be acquired on long term lease.

- Non-resident (foreigner) will be subject to the following withholding tax:

Class of Income	Non resident foreigners
• Interest	15%
• Royalties for use of licenses, trademarks, patent right etc.	20%
• Payment to contractors made by Government Organization, Municipalities and Co-operative Societies	3.5%
• Payment for work done to foreign contractors	3%

- Income tax for the resident foreigners who earn their income in foreign currency is 15% of their salary in such foreign currency. For resident foreigners who operate companies formed in Myanmar the corporate tax rate is 30%.

## **Business Services Sectors**

### **Legal Services- Foreign Legal Consultancy**

- Although foreign Lawyers are not allowed to appear in different levels of Myanmar Court, according to the Bar Council Act, the Legal Practitioners Act and the Rules and Advocates Admission Rules, foreigners may establish own law firms or associate with domestic law firms subject to foreign investment law.
- Foreign lawyers cannot appear before the Myanmar's Courts according to the Myanmar existing laws. But they may be legal consultant and tender legal advice to their clients.

### **Accounting, Auditing and bookkeeping Services**

- Until now, foreign professionals are prohibited from practicing in the country and neither are they allowed temporary entry to practice their profession. However Myanmar Accountancy Council (MAC) is in the process of making arrangements to amend Myanmar Accountancy Council Law (MACL). In accordance with ASEAN Federation of Accountants' (AFA) understanding MAC has offered to AFA Members for consideration to execute Mutual Recognition Agreement (MRA).
- Joint venture or partnership with Myanmar Locally registered public accountants is allowed after fulfilling the requirements of MACL in line with MRA and Foreign Investment Law (FIL), provided that the foreign counterpart must be qualified and duly registered as practicing Public Accountant in his/her country.
- Incorporation in the form of partnership with unlimited liabilities is allowed.
  - No foreigner is allowed any level of ownership for immovable property.

- Partnership or association with other profession is forbidden.
- Until now advertising, marketing, and solicitation are absolutely prohibited. However Myanmar Accountancy Council (MAC) is in the process of making arrangements to amend Myanmar Accountancy Council Law (MACL).
- Limited use of foreign network name.

### **Architectural Services**

- The use of international name and network is not outright prohibited but is subject to the government regulations under the foreign Investment Law. This also holds true in case of foreign ownership or equity in a local professional services architectural firm.
- Foreign architects are not allowed to affix signature to legal document for government approval, e. g building permits and design specifications.

### **Urban Planning Services**

- Commercial presence of foreign service suppliers and/ or providers are permitted in the form of;
  - (i) 100% Foreign investment, or
  - (ii) Joint Venture with a Myanmar citizen or enterprise
  - (iii) Form of incorporation can be sole proprietorship, partnership or limited company.
- Minimum foreign equity is 35%.
- Incorporation of an enterprise, not involving a state enterprise: Minimum share Capital requirements for companies and branches are as follows,
  - Service Company- equivalent of K 300,000 in USD.
  - Industrial Company- equivalent of K 1000,000 in USD.

### **Computer Related Services**

- Must comply with existing Laws, rules and regulations as well as directives of relevant agencies.

## **Communication Services**

### **Telecommunication Services**

- The Provision of telecommunication services are sole right of the Government. Public telecommunication facilities, fixed and wireless are controlled by Myanmar Post and Telecommunication (MPT).
- The following services must utilise only the National Gateway

- Electronic mail
- Voice mail
- On-line information and data base retrieval
- EDI
- Code and protocol conversion
- On-line information and/or data processing

### **Audio Visual Services: Motion Picture and Video Tape Production Distribution Services, Cinema Theatre Services, Motion Picture Projection Services**

- Commercial presence of foreign service supplier and/or providers are permitted in the form of:
  - (i) 100% Foreign investment, or
  - (ii) Joint Venture with a Myanmar citizen or enterprise
  - (iii) Form of incorporation can be sole proprietorship, partnership or limited company.
- Minimum foreign equity is 35%.
- Incorporation of an enterprise, not involving a state enterprise: Minimum share Capital requirements for companies and branches are as follows,
  - Service Company-equivalent of K 300,000 in USD.
  - Industrial Company-equivalent of K 1000,000 in USD.
- Cooperation with domestic producers is required to produce motion pictures.
- Joint Venture film producing companies require majority domestic ownership in order establish modern production studios and production parks.

### **Education Services**

- Commercial presence of foreign service supplier and/or providers are permitted in the form of:
  - (i) 100% Foreign investment, or
  - (ii) Joint Venture with a Myanmar citizen or enterprise
  - (iii) Form of incorporation can be sole proprietorship, partnership or limited company.
- Minimum foreign equity is 35%.
- Incorporation of an enterprise, not involving a state enterprise: Minimum share Capital requirements for companies and branches are as follows,
  - Services Company-equivalent of K 300,000 in USD.
  - Industrial Company-equivalent of K 1000,000 in USD.

## **Environmental Services**

- 100% foreign investment or joint venture with Myanmar citizens or enterprises is permitted
- For sanitation and similar Services:
  - Commercial presence of foreign service supplier and/or providers are permitted in the form of:
    - (i) 100% Foreign investment, or
    - (ii) Joint Venture with a Myanmar citizen or enterprise
    - (iii) Form of incorporation can be sole proprietorship, partnership or limited company.
  - Minimum foreign equity is 35%.
  - Incorporation of an enterprise, not involving a state enterprise: Minimum share Capital requirements for companies and branches are as follows,
    - Service Company-equivalent of K 300,000 in USD.
    - Industrial Company-equivalent of K 1000,000 in USD.

## **Healthcare Related And Social Services**

- Foreign equity is limited up to 51%.

## **Tourism And Travel Related Services**

- Hotel project with 100% foreign investment are allowed provided that a BOT system is adopted.
- Foreign service suppliers are entitled to enjoy exemptions under the Foreign Investment Law Chapter X, Article 21.
- A foreign tour operator/ travel agent can establish a tourism enterprise with a local partner/ company in the form of Joint Venture.

## **Recreational, Cultural And Sporting Services**

### **Library services, Archive Services and Museum services**

- Commercial presence of foreign service supplier and/or providers are permitted in the form of:
  - (i) 100% Foreign investment, or
  - (ii) Joint Venture with a Myanmar citizen or enterprise
  - (iii) Form of incorporation can be sole proprietorship, partnership or limited company.

- Minimum foreign equity is 35%.
- Incorporation of an enterprise, not involving a state enterprise: Minimum share Capital requirements for companies and branches are as follows,
  - Service Company-equivalent of K 300,000 in USD.
  - Industrial Company-equivalent of K 1000,000 in USD.

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