

## **Myanmar Investment Law**

(The Pyidaungsu Hluttaw Law No. 40/2016)

The 2<sup>nd</sup>, Waning of Thadingyut, 1378 M.E.

(18<sup>th</sup> October, 2016)

The Pyidaungsu Hluttaw hereby enacts this Law.

### **Chapter I**

#### **Title and Definition**

1. This Law shall be called **the Myanmar Investment Law**.
2. The following expressions contained in this Law shall have the meanings given hereunder:
  - (a) **Union** means the Republic of the Union of Myanmar.
  - (b) **President** means the President of the Republic of the Union of Myanmar.
  - (c) **Government** means the Union Government of the Republic of the Union of Myanmar.
  - (d) **Ministry** means the Ministry of Planning and Finance of the Union Government.
  - (e) **Commission** means the Myanmar Investment Commission formed under this Law.
  - (f) **Member** means any member of the Myanmar Investment Commission, including the Chairman and the Vice-Chairman.
  - (g) **Commission Office** means the office of the Directorate of Investment and Company Administration which is responsible for carrying out administrative activities of the Commission.

- (h) **Secretary** means the Secretary of the Myanmar Investment Commission who is responsible for carrying out administrative activities of the Commission Office.
- (i) **Proposal** means the application, submitted in the stipulated form together with the required contracts and documents, by the proposed investor in order to obtain the Permit of the Commission for intended investment stipulated under section 36.
- (j) **Permit** means an order that describes the approval of the Commission relating to the proposal for investment submitted by the proposed investor.
- (k) **Endorsement application** means the application in the stipulated form together with required documents submitted by proposed investor to obtain an Endorsement of the Commission in order to enjoy benefits relating to right to use land under Chapter XII and exemptions and reliefs under section 75, 77 and 78 of the Chapter XVII.
- (l) **Endorsement** means an order that describes the approval of the Commission relating to the endorsement application submitted by the proposed investor.
- (m) **Citizen** means a citizen, an associate citizen or a naturalized citizen for the purposes of this Law. In this expression, enterprises composed only of citizens are also included.
- (n) **Myanmar Citizen Investor** means a citizen who invests within the Union. In this expression, Myanmar companies and branch offices, and other enterprises established and registered in accordance with the Myanmar Companies Act are included.
- (o) **Foreign Investor** means a person who invests within the Union and is not a citizen. In this expression, foreign companies, branch offices and other enterprises established and registered in accordance with the

Myanmar Companies Act and enterprises formed in accordance with the laws of any other country are also included.

- (p) **Investor** means a Myanmar Citizen investor or Foreign investor who invests within the Union in accordance with the law.
- (q) **Investment** means any assets owned or controlled by the investor in accordance with this Law. It shall also include investments stipulated under section 40.
- (r) **Direct Investment** means an investment in which the investor has the right to control, influence or manage, of such assets which are invested by the investor within the Union in accordance with the law.
- (s) **Foreign Investment** means any direct investment made by a foreign investor within the Union.
- (t) **Enterprise** means:
  - (i) Any legal entity, including company, trust, partnership, sole proprietorship, joint venture, business association or similar organisations established or registered to do businesses in accordance with the applicable laws.
  - (ii) A branch office of such legal entity established in accordance with the applicable laws.
- (u) **Freely Usable Currency** means a currency of a member of the International Monetary Fund (IMF) which is used to make payments for international transactions and widely traded in the principal foreign exchange market as defined by Article 30(f) of the Articles of Agreement of the International Monetary Fund (IMF) and any amendments thereto.
- (v) **Exemption and relief** means the exemptions and reliefs from income tax, customs duty and other internal taxes that may be scrutinized and granted by the Commission based on application of the investor for

investments obtained a Permit or an Endorsement of the Commission in accordance with this Law.

- (w) **Measures** mean laws, rules, regulations, procedures, decisions and administrative actions adopted or maintained by government departments, governmental organizations or non-governmental organizations authorized by such departments and organizations.

## **Chapter II**

### **Objective**

3. The objectives of this Law are as follow:
- (a) to develop responsible investments which do not cause harm to the natural environment and the social environment for the interest of the Union and its citizens;
  - (b) to protect the investors and their investments in accordance with the law;
  - (c) to create job opportunities for the people;
  - (d) to develop human resources;
  - (e) to develop highly efficient productivity, service, and trading sectors;
  - (f) to develop technology, agriculture, livestock and industrial sectors;
  - (g) to develop various professional fields including infrastructure around the Union;
  - (h) to enable the citizens to be able to work alongside with the international community; and
  - (i) to develop businesses and investments that meet international standards.

### **Chapter III**

#### **Scope of the Law**

4. This Law shall apply to all existing or new investments within the Union on the date of entry into force of this Law. However, this Law shall not apply to any existing investment disputes or any investments which obtained a Permit and suspended from their business operation before the date of entry into force of this Law.
5. This Law shall apply to any investment measures implemented by government departments and governmental organizations except any measures under the provisions of Chapter XXI and Chapter XXII of this Law.

### **Chapter IV**

#### **Formation of the Commission**

6. The Commission shall be formed as follow:
  - (a) a Chairman appointed by the Government after nomination from members of the Government by the President;
  - (b) a Vice-Chairman appointed by the Government;
  - (c) members appointed by the Government, who are suitable persons from Union Ministries, government departments, governmental organizations, experts from the private sector, professionals and suitable dignified persons;
  - (d) a Secretary who is the head of the Commission Office by designation.
7. The Government shall form the Commission with at least nine members or more in odd numbers, including the Secretary, in accordance with the provisions in section 6.
8. The members of the Commission who are not civil service personnel shall have the right to enjoy gratuity and allowances as allowed by the Ministry.

9. The term of all members of the Commission, except the Secretary, is the same as the term of each Government. The Secretary, being a civil service personal, shall follow the Civil Servant Law.
10. The members of the Commission shall not serve for more than two consecutive terms.
11. The Government shall reconstitute the Commission within two months from the date of assuming office.
12. The head of the Commission Office shall serve as the Secretary of the Commission and shall fulfill duties as stipulated by the Commission.
13. The Chairman of the Commission may assign any duty specified in writing among the duties of the Commission to any officials of the Commission Office. In case of such assignment, the assigned person shall undertake only the duty stipulated in the assignment letter. The letter may be withdrawn at any time in writing.

## **Chapter V**

### **Resignation, Dismissal from the Commission and Appointment for Vacancy**

14. If the Chairman of the Commission resigns from his position voluntarily during his term, he may resign with the approval of the President by submitting a resignation letter to the Government.
15. If a member of the Commission, except the Chairman of the Commission, desires to resign from his position, he may request through the Chairman of the Commission and resign with the approval of the Government.
16. The Government may dismiss any member of the Commission in any of the following events:
  - (a) health deficiency to the extent that the member is no longer able to continue to undertake his/her duties according to the diagnosis of the medical board stipulated by law;

- (b) death;
  - (c) being penalized by any court due to a criminal offence;
  - (d) being declared as insolvent by any court;
  - (e) failure to properly perform his/her duties.
17. The Government:
- (a) shall appoint a new member in accordance with the provisions in this Law and its rules if a vacancy arises among the members of the Commission due to resignation, dismissal, death, or any other reason;
  - (b) may temporarily, if the vacancy is the position of the Chairman of the Commission, appoint the Vice-Chairman or a member of the Commission to carry out the functions of the Chairman before appointing a new Chairman.
18. The members of the Commission shall serve their functions and duties until new members of the Commission are appointed, except in the event of resignation or dismissal from their positions.
19. Notwithstanding the term under section 9, the term of the Chairman, the Vice-Chairman and the members of the Commission who are appointed to the vacant positions under section 17 shall be for the remaining term of the respective member of the Commission who is substituted.
20. The Secretary is responsible to perform the daily operations of the Commission, and administrative and management functions related to various matters of the Commission.
21. If a member of the Commission has a direct or indirect interest in a proposal submitted to the Commission, such interest must be expressly declared. Such declaration shall be recorded in the meeting minutes of the Commission and such member shall not participate in any right to make decision, activities and discussions of the Commission relating to the proposal.

22. If a member of the Commission has a direct or indirect interest in the endorsement application submitted to the Commission, such interest must be expressly declared. Such declaration shall be recorded in the Commission Office and such member shall not participate in any process of the Commission Office relating to that endorsement application.

## **Chapter VI**

### **Duties and Powers of the Commission**

23. The Commission has the right to freely exercise its duties and powers unless there is contrary to the provisions of this Law.
24. The duties of the Commission are as follow:
- (a) carrying out the investment promotion activities of the Union;
  - (b) performing as the department primarily responsible for coordinating with investors and those who are interested to invest;
  - (c) providing investment facilitation to investors and their investments;
  - (d) advising investment policies to the Union Ministries, Region and State governments in adopting and implementing economic objectives for the development of responsible businesses;
  - (e) issuing policy guidelines and directives for the staffs of the Commission Office;
  - (f) reporting the activities and functions of the Commission to the President and the Government once every three months;
  - (g) reporting annually the status of completion and progress of the investments approved by the Commission to the Pyidaungsu Hluttaw through the Government;
  - (h) delegating powers, in coordination with the Nay Pyi Taw Council, Region and State governments, for investment activities that the Government may approve according to the type of investment



activities or the condition of natural resources or creation of employment opportunities for the economic development of the Regions and States including Union Territory;

- (i) submitting advice to the Government in order to facilitate or encourage local and foreign investments;
- (j) taking action against the investor under the relevant laws, procedures and regulations, if it is known that the investors, when finding natural resources or antiques, either processes, converts or conceals such items without notifying;
- (k) scrutinizing whether or not the investor and its investment complies with this Law and its rules, regulations, notifications, orders, directives and procedures and provisions contained in contracts, and if not, ensuring the investor to abide and taking action against the investor and its investments that do not abide by such matters in accordance with the laws;
- (l) reviewing exemptions, reliefs and the restricted investment activities and reporting such reviews to the Government.
- (m) performing duties assigned by the Government from time to time.

25. In order to implement its duties under this Law, the powers of the Commission are as follow:

- (a) issuing notifications with the approval of the Government after stipulating the investment promoted sectors and the types of the restricted or prohibited investment activities;
- (b) stipulating, with the approval of the Government, the types of investment activities that are strategic for the Union, capital intensive investment projects and projects which potentially have a large impact on the environment and the local community;

- (c) issuing the Permit to the investor when submitting a proposal to the Commission if the proposal is beneficial to the Union and consistent with the laws, and refusing the proposal if the proposal does not meet such conditions;
- (d) conducting the necessary scrutiny when completely submitting an endorsement application to the Commission and issuing the Endorsement to the investor if the endorsement application is not contrary to any law;
- (e) approving or refusing after scrutiny when applying for an extension or amendment of the term of the Permit or the Endorsement by the investor;
- (f) asking, the investor, if required, to submit documents or evidences relating to its investment;
- (g) managing to take action against the investor under the existing law if it is found that there is credible evidence that the investor has submitted the improper attached documents to the Commission to obtain a Permit or an Endorsement, or in the event, the investor does not comply with the terms and conditions of the Permit or the Endorsement;
- (h) scrutinizing, as required, and granting, when eligible, exemptions and reliefs to enjoy in accordance with the provisions of this Law;
- (i) stipulating the types of investment activities, with the approval of the Government, which are not allowed to enjoy tax exemptions or reliefs or both;
- (j) requesting and obtaining assistance and information relating to the duties of the Commission from government departments, governmental organizations and other necessary organizations, including investors in order to perform the duties of the Commission under this Law;

- (k) undertaking necessary measures to successfully implement the provisions of this Law;
  - (l) scrutinizing and granting appropriate periods for construction or preparation subject to the type of investment activities;
  - (m) scrutinizing and granting the exemptions and reliefs relating to the temporary import of machineries and equipments from abroad under temporary import procedures issued by the Customs Department in coordination with the relevant ministries; and
  - (n) in effectively implementing this Law, establishing and managing a system that is able to carry out activities such as systematically scrutinizing disputes, identifying the causes for disputes, responding, inquiring and settling the losses before the stage of dispute resolution;
26. The Commission may stipulate and collect other service fees, including registration fees.
27. The Commission may, in carrying out its duties, form committees and bodies, as required.
28. The Commission may, in implementing its duties, open branch offices of the Commission locally or overseas with the approval of the Government, as required.

## **Chapter VII**

### **Convening of Meeting**

29. Meetings shall be convened as follow:
- (a) convening regular meetings of the Commission at least once a month;
  - (b) convening special meetings as required.
30. The Chairman of the Commission shall act as the Chairman of the meetings. The Vice-Chairman shall act as the Chairman of the meeting when the Chairman is not present.

31. A quorum for a meeting of the Commission shall be valid if more than half of the total number of the members of the Commission, including the Chairman or the Vice-Chairman, are present.
32. The Commission shall make decisions in conformity with more than half of the total number of the members of the Commission who are present at a Commission meeting. The members of the Commission, who are not present at the meeting, shall not object, deny or amend such decision.
33. The Commission may invite experts from the relevant departments and other organizations to any meeting of the Commission for the matters that require professional expertise.
34. The Commission shall allow the investors and persons supporting the investor to attend and provide explanations and engage in discussions at meetings of the Commission.
35. The members of the Commission shall submit and report their specific activities at the closest regular meeting of the Commission, and obtain approval for the specified activities.

## **Chapter VIII**

### **Submission of Proposal**

36. The investor shall submit a proposal to the Commission and invest after receiving the Permit for the following investment activities stipulated in the rules;
  - (a) investment activities that are essential to the national strategy;
  - (b) large capital intensive investment projects;
  - (c) projects which are likely to cause a large impact on the environment and the local community;
  - (d) investment activities which use state owned land and buildings;
  - (e) investment activities which are designated by the Government to require the submission of a proposal to the Commission.

## **Chapter IX**

### **Submission of Endorsement Application**

37. No investor is required to submit a proposal to the Commission for other investment activities except investment activities stipulated under section 36. However, in order to enjoy the right to use land under Chapter XII, and one or more than one or all of the exemptions and reliefs under sections 75, 77 and 78, an endorsement application must be submitted in the stipulated form to the Commission Office.
38. When submitting the endorsement application, all approvals or licenses or permits or similar documents issued by the relevant organizations according to the type of business must be attached.
39. The Commission may accept, after scrutinizing the endorsement application submitted under section 37, if it is complete, and allow resubmitting the endorsement application after corrections are made, if it is not complete.

## **Chapter X**

### **Stipulation of the Types of Investment Activities**

40. In investment, the following are also included:
  - (a) enterprise;
  - (b) moveable property, immovable property and rights related to property, cash, pledges, mortgages and liens, machinery, equipment, spare-parts, and related tools;
  - (c) shares, stocks, and debentures (a) promissory note of a company;
  - (d) intellectual property rights under any laws, including technical know-how, patent, industrial designs, and trademarks;
  - (e) claims to money and to any performance under contracts having a financial value;
  - (f) revenue-sharing contract, or production, management, construction, rights under contracts, including turnkey;

- (g) assignable rights granted by relevant laws or contract, including the rights of exploration, prospecting and extraction of natural resources;
41. The following investments activities shall be stipulated as the prohibited investments:
- (a) investment activities which may bring or cause hazardous or poisonous wastes into the Union;
  - (b) investment activities which may bring technologies, medicines, flora and fauna and instruments which are still being tested abroad, or which have not obtained approvals to use, plant or cultivate, except the investments which are made for the purpose of research and development;
  - (c) investment activities which may affect the traditional culture and customs of the ethnic groups within the Union;
  - (d) investment activities which may affect the public;
  - (e) investment activities which may cause an enormous harmful impact to the natural environment and ecosystem;
  - (f) investment activities which manufacture goods or provide services that are prohibited under the applicable laws.
42. The following types of investment activities shall be stipulated as restricted investments:
- (a) investment activities allowed to be carried out only by the Union;
  - (b) investment activities that are not allowed to be carried out by Foreign investors;
  - (c) investment activities allowed only in the form of a joint venture with any citizen owned entity or any Myanmar citizen; and
  - (d) investment activities to be carried out with the approval of the relevant ministries.
43. The Commission shall, with the approval of the Government, issue notifications to inform the public of investment promoted sectors and restricted investment activities under section 42.

44. If it is required to liberalize or amend or remove types of the investment activities restricted under section 42 after reviewing and revising from time to time, the Commission shall obtain the approval of the Government and notify the amendment and stipulation of such types of investment activities.
45. In reviewing and revising section 44, the Commission may discuss the responsible personnel from the private sectors, government departments, and governmental organizations, in order not to be contrary to international trade and investment commitments made by the Government.
46. The Commission shall, for the investment activities which may have a significant impact on security, economic conditions, the environment, and national interest of the Union and its citizens, submit to and obtain the approval of the Pyidaungsu Hluttaw through Government when preparing to issue a Permit thereto.

## **Chapter XI**

### **Treatment of Investors**

47. In dealing with the investors:
  - (a) the Government shall accord to Foreign investors and their direct investments, treatment no less favorable than it accords to Myanmar citizen investors in respect to the expansion, management, operation, and the sale, or other disposition of direct investments according to this Law except in any other stipulated laws, rules and notifications;
  - (b) the Government shall accord, in like circumstances, to Foreign investors and their direct investments from one country, treatment no less favorable than that it accords to investors of any other country and their direct investments in respect of establishment, acquisition, expansion, management, operation, and the sale or other disposition of direct investments;
  - (c) The provision of subsection (b) shall not be construed so as to oblige Foreign investors with any treatment, preferences or privileges resulting from the following matters:

- (i) Customs Union, Free Trade Area, Economic Union resulting from Customs Union, Free Trade Area and Economic Union and international agreements;
  - (ii) more favorable treatments to be accorded to investors and their investments included in international agreements, bilateral or regional or international treaties, agreements or arrangements between regional countries, treaties, agreements or arrangements with other countries, or arrangements relating wholly or partially to taxation.
48. The Government guarantees to the investors fair and equitable treatment in respect of the following:
- (a) the right to obtain the relevant information on any measures or decision which has a significant impact on the investors and their direct investments;
  - (b) the right to due process of law and the right to appeal on similar measures, including any change to the terms and conditions under any license, a Permit or an Endorsement granted by the Government to the investors and their direct investments.
49. The provisions of this Chapter shall not affect the provisions in section 76.

## **Chapter XII**

### **Right to Use Land**

50. (a) An Investor who obtains a Permit or an Endorsement under this Law has the right to obtain a long-term lease of land or building from the private owned or from the relevant government departments, governmental organizations managed by the Government, or owned by the State in accordance with the stipulations in order to do investment. Citizen investors may invest in their own land or building in accordance with relevant laws.
- (b) Foreign investor may lease land or building either from the Government or governmental organizations or from owners of private



land or building from commencing on the date of receipt of a Permit or an Endorsement of the Commission up to an initial period of (50) year in accordance with the stipulation.

- (c) After the expiry of the term of the right to use land or building or the period of right to lease of land or building permitted under subsection (b), a consecutive period of (10) years and a further consecutive period of (10) years extension to such period of lease of land or building may be obtained with the approval of the Commission.
- (d) The investor shall register the land lease contract at the Office of Registry of Deeds in accordance with the Registration Act.
- (e) The Government may grant more favorable terms and conditions for the lease of land and the use of land by Myanmar citizen investors.
- (f) The Commission shall, for the purpose of the development of the entire Union with the approval of the Pyidaungsu Hluttaw submitted through the Government, grant a longer period for the right to lease land or building and the right to use land under this Law, to investors who invest in least developed and remote region.

### **Chapter XIII**

#### **Employment of Staff and Workers**

51. The investor:
- (a) may appoint of any citizen who is a qualified person as senior manager, technical and operational expert, or advisor in his investment within the Union in accordance with the laws;
  - (b) shall appoint them to replace, after providing for capacity building programs in order to be able to appoint citizens to positions of management, technical and operational experts, and advisors;
  - (c) shall appoint only citizens for works which does not require skill;

- (d) shall appoint skilled citizen and foreign workers, technicians, and staff by signing an employment contract between employer and employee in accordance with the labor laws and rules;
- (e) shall ensure to obtain the entitlements and rights in the labor laws and rules, including minimum wages and salaries, leave, holidays, overtime fees, damages, compensation of the workman, social welfare, and other insurance related to workers in stipulating the rights and duties of employers and employees and occupational terms and conditions in the employment contract;
- (f) shall settle disputes arising among employers, among workers, between employers and workers, and technicians or staff in the investment in accordance with the applicable laws.

#### **Chapter XIV**

#### **Investment Guarantee**

52. The Government guarantees not to nationalize any investment carrying out in accordance with the law. Except under the following conditions, the Government guarantees not to take any measures which expropriate or indirectly expropriate or is likely to effect a result in the termination of an investment :
- (a) necessary for the public interest;
  - (b) in a non-discriminatory manner;
  - (c) in accordance with due process of law;
  - (d) on payment of prompt, fair and adequate compensation;
53. A fair and adequate compensation shall be designated as an equivalent to the market value prevailing at the time of expropriation of the investment. However, that designation shall be based on a fair consideration of public interest as well as the interests of the private investor, and shall take into account the present and past conditions of investment, the reason for expropriation of the investment or assets, the fair market value of the investment, the purpose of expropriating the investment or assets, the profits

acquired by the investor during the term of investment, and also the duration of the investment.

54. Non-discriminatory manner, including in Chapter XXI and Chapter XXII of this Law, which the Government performs in their authority for the purposes of regulating economic or supporting social interest shall not apply to the provisions in this Chapter.
55. If an investor asserts that a measure or series of measures undertaken under section 52 are inconsistent with the provisions of such section and amount to an indirect expropriation, the Government shall conduct a case-by-case and fact-based inquiry that takes into consideration the following factors:
- (a) whether the measures create an intentional adverse effect on the economic value of an investment or not ;
  - (b) whether the measures breach the prior binding written commitment of the Government, contract, license, or other legal documents issued in favor of the investor or not;
  - (c) whether the measures of the Government, including the objective contained in section 52 (a), are consistent with the public interest or not.

## **Chapter XV**

### **Transfer of Funds**

56. Foreign investors may transfer the following funds abroad relating to the investments made under this Law:
- (a) capital designated under the provisions relating to capital account rules stipulated by the Central Bank of Myanmar;
  - (b) proceeds, profits from the asset, dividends, royalties, patent fees, license fees, technical assistance and management fees, shares and other current income resulting from any investment under this Law;
  - (c) proceeds from the total or partial sale or liquidation of an investment;
  - (d) payments made under a contract, including a loan agreement;
  - (e) payments resulting from any settlement of investment disputes;

- (f) other compensation or money as compensation under the investment or expropriation;
  - (g) remuneration, salary and earning of foreign experts legally employed in the Union.
57. With respect to transferring a loan or taking a loan, it shall be transferred and taken with the approval of the Central Bank of Myanmar, in accordance with the stipulated regulations.
58. Myanmar citizen investors may freely and without delay transfer abroad the following funds relating to the investments made under this Law:
- (a) royalties, license fees, technical assistance, management fees, and interests to be paid any outside organization;
  - (b) payments made under a contract, including a loan agreement and insurance claims;
  - (c) payments resulting from an award, arbitration or settlement of any dispute, including any agreement to be paid by Myanmar citizen investor.
59. Any transfer of funds shall be allowed only after paying all tax obligations imposed on the amount to be transferred in accordance with the stipulated tax laws.
60. Foreign experts with legal work permits may make remittance abroad without any further deduction from the amount of money paid after the tax obligations under the Income Tax Law, through banks authorized with a foreign exchange dealer license and established in the Union.
61. In respect of transfers of funds made by Foreign investors under section 56, such funds, including capital accounts or current accounts under the Foreign Exchange Management Law, may be transferred through banks authorized with a foreign exchange dealer license and legally established in the Union with freely usable currencies.
62. The Government may prevent or delay a transfer of funds relating to any of the following circumstances:
- (a) insolvency, or the protection of the rights of creditors;

- (b) criminal or penal offences and the recovery of proceeds of crime;
  - (c) financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities;
  - (d) ensuring compliance with orders or judgments in judicial or administrative proceedings;
  - (e) taxation;
  - (f) social security, public retirement, or compulsory saving schemes;
  - (g) severance entitlements of employees.
63. The Government shall allow the transfer of capital or expenditures and foreign loans from abroad, which are required to be used for an investor and its investment within the Union in accordance with applicable laws.
64. In the event of serious balance-of-payments or external financial difficulties, the Government may adopt or maintain restrictions on payments or transfers related to investments in accordance with the Foreign Exchange Management Law and other international commitments.

## **Chapter XVI**

### **Responsibilities of Investors**

65. The Investor:
- (a) shall respect and comply with the customs, traditions and traditional culture of the ethnic groups in the Union;
  - (b) shall establish and register a company or sole proprietorship or legal entities or branches of such entities under the laws in order to invest;
  - (c) shall abide by the terms and conditions, stipulations of special licenses, permits, and business operation certificates issued to them, including the rules, notifications, orders, and directives and procedures issued by this Law and the applicable laws, terms and conditions of contract and tax obligations;
  - (d) shall carry out in accordance with the stipulations of the relevant department if it is, by the nature of business or by other need, required to obtain any license or permit from the relevant Union Ministries,

government departments and governmental organizations, or to carry out registration;

- (e) shall immediately inform the Commission if it is found that natural mineral resources or antique objects and treasure trove not related to the investment permitted above and under the land on which the investor is entitled to lease or use and not included in the original contracts. If the Commission allows, the investor shall continue to carry out the investment in such land, and if not allowed, the investor shall transfer and carry out, by obtaining the permission, at the substituted place which is selected and submitted by him;
- (f) shall not make any significant alteration of topography or elevation of the land on which he is entitled to lease or to use, without the approval of the Commission;
- (g) shall abide by the applicable laws, rules, procedures and best standards practiced internationally for this investment so as not to cause damage, pollution, and loss to the natural and social environment and not to cause damage to cultural heritage;
- (h) shall list and keep proper records in books of accounting and annual financial statements, and necessary financial matters relating to the investments performed by a Permit or an Endorsement in accordance with internationally and locally recognized accounting standards;
- (i) shall close and discontinue the investment only after payment of compensation to employees in accordance with applicable laws for any breach of employment contracts, closure of investment, sale and transfer of investment, discontinuation of investment, or reduction of workforce;
- (j) shall pay wages and salaries to employees in accordance with applicable laws, rules, procedures, directives and so forth during the period of suspension of investment for a credible reason;

- (k) shall pay compensation and indemnification in accordance with applicable laws to the relevant employee or his successor for injury, disability, disease and death due to the work;
  - (l) shall supervise foreign experts, supervisors and their families, who employ in its investment, to abide by the applicable laws, rules, orders and directives, and the culture and traditions of Myanmar;
  - (m) shall respect and comply with the labor laws;
  - (n) shall have the right to sue and to be sued in accordance with the laws;
  - (o) shall pay effective compensation for loss incurred to the victim, if there is damage to the natural environment and socioeconomic losses caused by logging or extraction of natural resources which are not related to the scope of the permissible investment, except from carrying out the activities required to conduct investment in a Permit or an Endorsement.
  - (p) shall allow the Commission to inspect in any places, when the Commission informs the prior notice to inspect the investment;
  - (q) shall take in advance a Permit or an Endorsement of the Commission for the investments which need to obtain prior approval under the Environmental Conservation Law and the procedures of environmental impact assessment, before undertaking the assessment. Such investments shall be submitted the situation of environmental and social impact assessment to the Commission during the permitted investment period.
66. Subject to the assessment under section 65 (q), the Commission may administer the investments to carry out as necessary, including to conduct or suspend.
67. The investors shall comply with all responsibilities stipulated under section 65 from the date, this Law comes into effect.
68. If the investor discontinues the investment before the expiry of the permitted period, after paying the tax exemptions or reliefs or both enjoyed during importation in accordance with the approval of the Commission, the investor

- is to sell, export and dispose all machineries, equipment, motor vehicles and all other articles imported from abroad with the customs duty, other internal taxes and tax exemption or relief or both for his investment.
69. After obtaining a Permit or an Endorsement from the Commission, the investor shall execute and sign necessary contracts with the relevant government department or a governmental organization or governmental organizations, and conduct its investments.
70. The permission of the Commission shall be obtained for any extension and amendment of the contracts mentioned in section 69.
71. In conducting their investment activities, the investor shall carry out health assessments, cultural heritage impact assessments, environmental impact assessments and social impact assessments according to the type of investment activities in accordance with the relevant laws, rules, regulations and procedures.
72. Investments that obtained a Permit or an Endorsement, shall submit to the Commission of any sublease, mortgage transfer of shares or transfer of business to any person during the permitted investment period.

## **Chapter XVII**

### **Insurance**

73. The investor shall insure the types of insurance stipulated in the provision of the rules at any insurance enterprise which is entitled to carry out insurance businesses within the Union.

## **Chapter XVIII**

### **Exemptions and Reliefs**

74. The Commission shall, for the purpose of supporting the development of the Union by allowing investment in sectors which need to be developed and for the proportionate development of Regions and States, scrutinize and may grant one or more tax exemptions or reliefs if the investor applies for such exemptions or reliefs.



75. (a) With respect to the income tax exemptions, designated the less developed regions as Zone (1) , the moderate developed regions as Zone (2), and the developed regions as Zone (3), the Commission shall, with the approval of the Government, issue a notification and may grant income tax exemptions to investment activities in Zone (1) for a period of 7 consecutive years including the year of commencement of commercial operation, investment activities in Zone (2) for a period of 5 consecutive years including the year of commencement of commercial operation, and investment activities in Zone (3) for a period of 3 consecutive years including the year of commencement of commercial operation.
- (b) With the approval of the Government, the Commission may change the designation of the zones from time to time depending on the development of the respective regions.
- (c) Income tax exemptions shall be granted only for the sectors specified by the Commission in the notification as promoted sectors.
76. In addition to the provisions under Chapter XI of Treatment of Investors, the Government may undertake subsidies, funding, capacity building and training to Myanmar citizen investors and citizen-owned small and medium-sized enterprises. The Government may also allow exemptions and reliefs for the locations where Myanmar citizen-owned businesses are operated or other economic activities.
77. The Commission may scrutinize and grant the following exemptions or reliefs from customs duty and other internal taxes to the investor if applied:
- (a) exemptions or reliefs from customs duty or other internal taxes or both on machineries, equipments, instruments, machinery components, spare parts, construction materials unavailable locally, and materials used in the business, which are imported as they are actually required, during the construction period or during the preparatory period of the investment;

- (b) exemptions or reliefs from the customs duty or other internal taxes or both on the importation of the raw materials and partially manufactured goods conducted by an export-oriented business for the purposes of the manufacture of products for export;
  - (c) reimbursement of customs duty or other internal taxes or both on imported raw materials and partially manufactured goods which are used to manufacture products for export;
  - (d) if the volume of investment is increased with the approval of the Commission and the original investment is expanded during the permitted period of investment, exemptions or reliefs from the customs duty or other internal taxes or both on machineries, equipments, instruments, machinery components, spare parts, materials used in the business, and construction materials unavailable locally, which are imported as they are actually required for use in the business which is being expanded as such increases may be granted.
78. The Commission may scrutinize and grant the following exemptions and reliefs, as required, to the investor if applied:
- (a) exemptions or reliefs from income tax if the profit obtained from the investment that has obtained a Permit or an Endorsement is reinvested in such investment or in any similar type of investment activities within one year;
  - (b) right to depreciation for the purpose of income tax assessment, after computing such depreciation from the year of commencement of commercial operation based on a depreciation rate which is less than the stipulated lifetime of the machinery, equipment, building or capital assets used in the investment;
  - (c) right to deduct expenses which are incurred for the research and development relating to the investment activities carried out within the Union and actually required for the economic development of the Union from the assessable income.

79. The Foreign investors have to pay income tax on their income at the rates applicable to the citizens residing within the Union.
80. Except the exemptions and reliefs under section 75, 77 and 78, other taxes shall be carried out in accordance with relevant tax laws.
81. The exemptions and reliefs under sections 75, 77, 78 and 80 shall not apply to businesses operating in special economic zones.

## **Chapter XIX**

### **Settlement of Dispute**

82. In effective implementation of this Law, the Commission shall establish and manage a grievance mechanism to resolve and prevent the occurrence of disputes, and carry out the relevant inquiries for the investment issues before reaching the stage of a legal dispute.
83. Before any investment dispute between the investor and the Union or between the investors is brought to any court or arbitral tribunal, all disputing parties shall use due attempts to settle the disputes amicably.
84. If investment disputes are not able to be settled amicably:
  - (a) if the dispute settlement mechanism is not stipulated in the relevant agreement, it shall be settled in the competent court or the arbitral tribunal in accord with the applicable laws;
  - (b) if the dispute settlement mechanism is stipulated in the relevant agreement, it shall be complied with and carried out in accord with the mechanism.

## **Chapter XX**

### **Administrative Penalties**

85. The Commission:
  - (a) may impose one or more of the following administrative penalties against an investor who violates or fails to comply with any provision of this Law and its rules, regulations, notifications, orders, directive,

procedures or terms and conditions contained in a Permit or an Endorsement issued by the Commission:

- (i) censure;
  - (ii) temporary suspension of business;
  - (iii) temporary suspension of tax exemptions and reliefs;
  - (iv) revocation of a Permit or an Edorsement;
  - (v) add the business to a blacklist for which no Permit or Endorsement shall be issued in the future;
- (b) shall inform a prior notice in respect of the administrative penalties to the investor before imposing the administrative penalties according to subsection (a), and the investor has the right to submit questions in writing upon the administrative penalties;
- (c) shall describe the reason for imposing an administrative penalty together with the decision, imposing the administrative penalty under subsection (a).
86. (a) The investor dissatisfied with any decision made by the Commission under section 85 shall have the right to appeal to the Government within 60 days from the date of the decision in accordance with the stipulations.
- (b) The Government may amend, revoke or approve any decision made by the Commission.
- (c) The decision of the Government shall be final and conclusive.
87. An investor shall be prosecuted if there is credible evidence that he describes dishonestly, falsely, or any concealment of information when submitting any proposal, accounts, evidence of contracts, financial information or evidence of employment and so forth to the Commission, or any relevant government department or governmental organization.
88. If an investor fails to comply with or violate any provisions of this Law, including the performance of the prohibited investment activities under

section 41, he shall be prosecuted under this Law and, if required, any applicable laws.

## **Chapter XXI**

### **Exceptions**

89. Nothing in this Law shall be construed to prohibit the following fair measures adopted or maintained prudently by the Government:
- (a) necessary to protect public morals or to maintain public order;
  - (b) necessary to protect life or health of human, animals, or plants;
  - (c) the protection of investors, depositors, financial market participants, policyholders, policy-claimants, or persons to whom a fiduciary duty is owed by a financial institution;
  - (d) ensuring the safety, standing, soundness and stability of financial institutions;
  - (e) ensuring the integrity and stability of the financial system of the Union;
  - (f) aiming to ensure fair and effective assessment of tax or direct taxation relating to investors;
  - (g) carrying out the protection of artistic, historical or archaeological valued national treasures and heritage;
  - (h) preservation of natural resources, and not to be damaged to such, where the effect is caused by domestic production or consumption.

## **Chapter XXII**

### **Security Exception**

90. (a) Nothing in this Law shall be construed to prohibit the Government from adopting or enforcing necessary measures for the protection of its essential security interests.
- (b) The provisions under this Law shall not prevent any of the following actions necessary for the Government to protect essential security interests, including but not limited to:

- i. action relating to the traffic in arms, ammunition and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying military or other security forces;
- ii. action taken, as required, in time of war or other emergency in international relations.

## **Chapter XXIII**

### **Miscellaneous**

91. If there is any provision of this Law contrary to any matter provided for in the international treaties and agreements adopted by the Union, the provisions contained in the international treaties and agreement shall be abided by for such contradictory provision.
92. Within the period after the enactment of this Law and before promulgating the necessary rules and procedures, the rules issued under the Foreign Investment Law (the Pyidaungsu Hluttaw Law No. 21/2012) may continue to be complied so far as it is not contrary to this Law.
93. Any Permit for investment granted by the Commission subject to the Union of Myanmar Foreign Investment Law (The State Law and Order Restoration Council Law No. 10/1988) or the Foreign Investment Law (the Pyidaungsu Hluttaw Law No. 21/2012) or the Myanmar Citizens Investment Law (the Pyidaungsu Hluttaw Law No.18/2013) shall continue to be effective till the term of such Permit is expired.
94. Notwithstanding anything contained in any other law, matters relating to any provision in this Law shall be carried out in accordance with this Law.
95. If there is credible evidence for performing in good faith within the powers conferred under this Law, no criminal or civil actions shall be taken against any member of the Commission, any member of a committee or body, or any civil servant for such act.

96. In performing duties under this Law, the members of the Commission and the officers of the Commission Office shall impartially carry out such duties in accordance with the Anti-Corruption Law.
97. The members of the Commission shall not use the acquired information for any other purposes, except implementation of the objectives under this Law.
98. Any decision made by the Commission under the powers conferred by this Law shall be final and conclusive except any appeal in relation to the imposition of administrative penalties under section 85.
99. In carrying out the provisions under this Law, the Ministry of Planning and Finance shall;
- (a) undertake the office-work of the Commission;
  - (b) bear the expenditures of the Commission in accordance with financial rules and regulations.
100. In implementing this Law:
- (a) the Ministry may, with the approval of the Government, issue necessary rules, regulations, notifications, directives, orders and procedures;
  - (b) the Commission may issue orders, notifications, directives and procedures.
101. The Foreign Investment Law (The Pyidaungsu Hluttaw Law No. 21/2012) and the Myanmar Citizens Investment Law (The Pyidaungsu Hluttaw Law No. 18/2013) are hereby repealed by this Law. Although the Foreign Investment Law is repealed, the Myanmar Investment Commission formed by that law shall have the power to perform its duties until the date that its duties and powers have been delegated to the Commission that will succeed under this Law.

---

I hereby sign under the Constitution of the Republic of the Union of Myanmar.

Sd. Htin Kyaw  
President  
The Republic of the Union of Myanmar