

**Myanmar Investment Law (Draft)**  
(2016, PyidaungsuHluttaw Law No. 40 )  
2<sup>nd</sup>, Waning of Thadingyut, 1378 M.E.  
(18, October, 2016)

The PyidaungsuHluttaw hereby enacts this Law.

**Chapter (1)**  
**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 Union Government of the Republic of the Union of Myanmar.
  - (d) **Ministry** means the Ministry of Planning and Finance.
  - (e) **Commission** means the Myanmar Investment Commission formed under this Law.
  - (f) **Member** means any members 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 investments prescribed under section 36.
  - (j) **Permit** means an order in which the approval of the Commission relating to the Proposal for investment submitted by the proposed investor.
  - (k) **Endorsement application** means the application that the proposed investor submits in the stipulated form along with all necessary documents to obtain an Endorsement by the Commission in order to enjoy benefits relating to Chapter 12 on Rights to Use Land and exemptions and reliefs under section 75, 77 and 78 of the Chapter 18.

- (l) **Endorsement** means an order given by the Commission relating to the Endorsement application submitted by the proposed investor.
- (m) **Citizen means** for the purposes of this law, citizen, associate citizen or naturalized citizen. This expression includes enterprise composed only with citizens.
- (n) **Myanmar Citizen Investor** means a Citizen who invests within the Union. This expression includes Myanmar companies, branch offices, and other enterprises established and registered in accordance with the Myanmar Companies Act.
- (o) **Foreign investor** means a person who invests within the Union and is not a citizen. This expression includes foreign companies, branch offices and other enterprises established in accordance with the Myanmar Companies Act and enterprises formed in accordance with the laws of any other country.
- (p) **Investor** means a Myanmar Citizen investor, or foreign investor, investing in accordance with the Law within the Union.
- (q) **Investment** means any assets owned or controlled by the investor in accordance with this law. It shall also include investments described under section 40.
- (r) **Direct investment** means an investment where the investor have the right to control or 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 constituted or established in accordance with the applicable laws including company, trust, partnership, sole proprietorship, joint venture, business association or similar organisations.
  - (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 widely used to make payments for international transactions and widely traded in the principal exchange market as defined by Article 30(f) of the IMF Articles of Agreement and any amendments thereto.
- (v) **Exemption and relief** means the exemptions and reliefs from income tax, customs duty and other internal taxes that can be scrutinized and granted by the Commission based on an investor's application for investment has obtained a Permit or an Endorsement from the Commission in accordance with this Law.

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

## **Chapter (2)**

### **Objective**

3. The objectives of this Law are as follows:
- (a) To develop responsible investment businesses which do not cause harm to the natural environment and the society for the benefit 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 high functioning production, service, and trading sectors.
  - (f) To develop technology and the agriculture, livestock and industrial sectors;
  - (g) To develop various professional fields including infrastructure across 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 (3)**

### **Scope of the Law**

4. This Law shall be applied to any existing or new investments within the Union on the date of entry into force of this Law. However, this Law shall not be applied to any investment disputes in existence or any permitted investment which suspends their business operation before the date of entry into force of this law.
5. This Law shall be applied to any Investment-related Measures adopted or maintained by government departments and governmental organizations except any measures under the provisions of Chapter (21) (Exceptions) and (22) (Security Exceptions) of this Law.

## **Chapter (4)**

### **Formation of the Commission**

6. The Commission shall be formed as follows:
- (a) A chairman, nominated from members of the Government by the President and appointed by the Government;
  - (b) A vice-chairman appointed by the Government;

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- (c) Suitable persons from Union Ministries, governmental departments, governmental organizations, experts from the private sector, professionals and suitable dignified persons, may be appointed as members by the Government; and
  - (d) A Secretary who is the head of the Commission Office by designation.
7. The Government shall form the Myanmar Investment Commission with at least nine members or more in odd number, including the Secretary, in accordance with the provisions under section 6.
  8. Commission members who are not civil service personnel shall have the right to enjoy gratuity and allowances as determined by the Ministry.
  9. The tenure of all Commission members, except the Secretary, is the same as the tenure of each Government. Being civil service personnel, the Secretary shall follow the Civil Servant Law.
  10. The members of the Commission shall not serve for more than two consecutive tenures.
  11. The Government must 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 assigned by the Commission.
  13. The Commission Chairman may separately assign any duty of the Commission to any staff of the Commission Office by issuing an assignment letter. In case of such assignment, the assigned person shall undertake only the duty described in the assignment letter. The letter may be repealed any time in writing.

#### **Chapter (5)**

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

14. If the Commission Chairman desires to resign from his position voluntarily during his tenure, he may resign with the approval of the President by submitting a resignation letter to the Union Government.
15. If a member of the Commission, except the Commission Chairman, desires to resign from his position, he may request through Commission Chairman and resign with the approval of the Government.
16. The Government may dismiss a member of the Commission in one 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 team stipulated by law;
  - (b) In case of death;
  - (c) Penalty by a court due to a criminal offence;
  - (d) Being declared as insolvent by a court; or

- (e) Failure to properly perform his/her duties.
17. The Government:
- (a) Shall appoint a new member in accordance with the provisions of this Law and its rules if a vacancy arises among the Commission members due to resignation, dismissal, death, or any other reason; and
  - (b) If the vacant position is the position of the Commission Chairman, may temporarily appoint the Vice-Chairman or a member of the Commission to carry out the functions of the Chairman position before appointing a new chairman.
18. The Commission members must serve their duties until new Commission members are appointed, except in the event of resignation or dismissal from their positions.
19. Notwithstanding the tenure under section 9, the tenure of the Chairman, the Vice-Chairman and the Commission members who are appointed for vacant positions under section 17 shall be for the remaining tenure of the respective Commission members who they substituted.
20. The Secretary is responsible for the Commission's daily operations, and administration and management functions related to various matters of the Commission.
21. If a Commission member has a direct or indirect interest in a proposal submitted to the Commission, such interest must be expressly declared. Such declaration must 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 concerning the proposal.
22. If a Commission member has a direct or indirect interest in the Endorsement Application submitted to the Commission, such interest must be expressly declared. Such declaration must be recorded in the Commission Office and such member shall not participate in any procedures of the Commission Office concerning that Endorsement Application.

### **Chapter (6)**

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

23. The Commission has the right to freely exercise its rights in accordance with the provisions of this Law.
24. The duties of the Commission are as follows:
- (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;

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- (d) Advising investment policies to the Union Ministries, Region and State Governments in adopting and implementing economic objectives for the development of responsible and accountable 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 the status of completion and progress of the business activities approved by the Commission annually to the PyidaungsuHluttaw via the Union Government;
- (h) Coordinating with the Naypyidaw council, Region and State Governments, and allocating authority for investments that the Government may approve according to the type of business or the condition of natural resources or employment opportunities for the economic development of the regions and states including Union Territories;
- (i) Submitting advice to the Government in order to facilitate and encourage local and foreign investments;
- (j) Taking action in accordance with applicable laws, procedures and regulations, if the investors finds that the actions such as retaining in possession, conversion or concealing have been made in relation to natural resources or antiques;
- (k) Scrutinizing whether or not the investor carries out its investment business in compliance with rules, regulations, notifications, orders, directives and procedures imposed under this Law, and provisions contained in contracts, and if not, ensuring the investor abides with such matters, and taking action in accordance with applicable laws against businesses that do not abide with such matters;
- (l) Reviewing exemptions, reliefs and restricted investment activities and reporting thereon to the Government.
- (m) Performing duties assigned by the Government from time to time.

25. In implementing its functions, the powers of the Commission are as follows:

- (a) Issuing necessary notifications with the approval of the Government prescribing the sectors which are promoted , restricted or prohibited;
- (b) With the approval of the Government, prescribing 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;

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- (c) When an investor submits a Proposal to the Commission, issuing the Permit to the investor if the Proposal is beneficial to the interests of the Union and in accordance with any applicable law, and refusing the Proposal, if the proposal does not meet such conditions;
- (d) When an investor submits an Endorsement application completely to the Commission, conducting the necessary scrutiny, and if the Endorsement application is not contrary to any applicable law, issuing the Endorsement to the investor;
- (e) Approving or refusing after scrutiny when the investor applies for an extension or amendment of the term of the Permit or Endorsement;
- (f) Requesting, if necessary, the investor to submit documents or evidence relating to its investment;
- (g) Managing to take action in accordance with applicable law if sufficient evidence is found that the investor misrepresent the documents to the Commission to obtain Permit or Endorsement and the investor does not comply with terms and conditions of Permit or Endorsement;
- (h) Scrutinizing and granting exemptions and reliefs when the investor applies for them in accordance with the provisions of this Law;
- (i) Prescribing types of investment activities which may not receive tax exemptions or reliefs or both with the agreement of the Government;
- (j) Requesting and obtaining assistance and information relevant to the duties of the Commission from governmental bodies, governmental organizations and other necessary organizations including investor in order to perform the duties of the Commission in accordance with this Law;
- (k) Undertaking necessary measures in order to successfully implement the stipulations of this Law;
- (l) Scrutinizing and approving appropriate construction or preparation periods depending on the type of investment;
- (m) Scrutinizing and approving the exemptions and reliefs relating to the temporary importation of machineries and equipments from abroad in accordance with temporary importation procedures issued by the Customs Department after consultation with relevant ministries; and
- (n) In the effective implementation of this Law, establishing and managing a system that can carry out activities such as systematically scrutinizing disputes, identifying the causes for disputes, responding, inquiring and settling the losses before matters reach to the stage of dispute resolution;

26. The Commission may prescribe and collect other service fees including registration fees.

27. The Commission may, in carrying out its duties, form committees and bodies as necessary.
28. The Commission may, in implementing its duties, open branch offices of the Commission locally or overseas with the approval of the Government as necessary.

### **Chapter (7)** **Convening the Meeting**

29. Meetings shall be convened as follows:
  - (a) Convening the Commission's regular meetings at least once a month and
  - (b) Convening ad-hoc meetings as necessary.
30. The Commission Chairman shall act as the chairman of the meetings. The Vice-Chairman shall act as the chairman of the meeting when the Chairman is not available.
31. A quorum for a Commission meeting shall be constituted by the attendance of more than fifty percent of the Commission members, including the Commission Chairman or the Vice-Chairman.
32. The Commission shall make decisions by the conformity of more than fifty percent of the Commission members who are present at a Commission meeting. Commission members, who are not present at the Commission meeting shall not object, deny or amend any decision made by Commission members who were in attendance at the Commission meeting.
33. The Commission may invite experts from relevant departments and other organizations to any Commission meeting for matters that require professional expertise.
34. The Commission shall allow the investor and persons supporting the investor to attend and provide explanations and engage in discussions at Commission meetings.
35. Reporting on special activities of Commission members at the closest regular meeting, and obtaining approval for the special activities.

### **Chapter (8)** **Submitting Proposal**

36. The investor shall submit a proposal to the Commission and invest after receiving the Permit in the following businesses;
  - (a) Businesses /investment activities that are strategic for the Union ~~and~~
  - (b) Large capital intensive investment projects
  - (c) Projects which have large potential impact on the environment and the local community,
  - (d) Businesses/ investment activities which used state-owned land and building
  - (e) Businesses/ investment activities which are designated by the government to require the submission of a proposal to the Commission,.



**Chapter (9)**  
**Endorsement Application Submission**

37. The investor is not required to submit a Proposal to the Commission except where it concerns investments stipulated under section 36. However, in order to enjoy the Rights to Use Land under Chapter (12) and 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 carried on by the investor, have to be attached.
39. The Commission may accept the Endorsement application submitted in accordance with section 37 if it is complete, and allow to resubmit the Endorsement application after corrections are made if it is not complete.

**Chapter (10)**  
**Prescribing Investment Activities**

40. Investment includes the followings:
- (a) Enterprise;
  - (b) moveable property, immovable property and related property rights, cash, pledges, mortgages and liens, machinery, equipment, spare-parts, and related tools;
  - (c) shares, stocks, and debentures of a company;
  - (d) intellectual property rights in accordance with applicable laws, including technical know-how, inventions, industrial designs, and trademarks;
  - (e) claims to money and to any performance under contract having a financial value;
  - (f) rights under contracts, including turnkey, construction, management, production or revenue-sharing contracts; and
  - (g) assignable rights granted by relevant laws or contract including the rights of exploration, prospecting and extraction of natural resources;
41. The following investments shall be stipulated as prohibited investment:
- (a) business/ investment activities which may bring or cause the hazardous or poisonous wastes into the Union;
  - (b) business/ investment activities which may bring technologies, medicines, flora and fauna and instruments which are still being tested abroad or which have not been obtained approvals for use, planting and cultivation except the investments which made for the purpose of research and development;

- (c) business/ investment activities which may affect the traditional culture and customs of the racial groups within the Union;
  - (d) business/ investment activities which may affect the public health
  - (e) business/ investment activities which may cause significant damage to the natural environment and ecosystem; and
  - (f) business/ investment activities which manufacture goods or provide services that are prohibited in accordance with applicable laws.
42. The following investment activities shall be stipulated as restricted investment:
- (a) Investment activities allowed to carry out by Government only;
  - (b) Investment activities restricted to foreign investors;
  - (c) Investment activities allowed only in form of joint venture with a citizen owned entity or a citizen of Myanmar; and
  - (d) Investment activities permitted with the recommendation of the relevant ministries.
43. The Commission shall issue the notifications to inform the public of promoted sectors and restricted investment activities under section 42 with the approval of the Government.
44. The Commission shall amend the notification if investment activities under section 42 need to liberalize or amend or remove from time to time with the approval of Government.
45. In reviewing and revising in accordance with section 44, the Commission shall discuss with the private sector, governmental bodies, and governmental organizations in order to conform to international trade and investment agreements made by the Government.
46. The Commission shall, for the investment activities which may have a significant impact on security, economic condition, the environment, and national interest of the Union and its citizens, submit to the Pyidaungsu Hluttaw for approval through Government when the Commission prepares to issue Permit thereto.

### **Chapter (11)**

#### **Treatment of Investors**

47. When dealing with the investors, the Government shall:
- (a) accord to foreign investors and direct investments made by foreign investors, treatment no less favorable than that accorded to Myanmar citizen investors with respect to the expansion, management, operation, and the sale or other disposition of direct investments except stipulated in laws, rules and notifications;
  - (b) accord, in like circumstances, to a foreign investors and their direct investments from one country, treatment no less favorable than that accorded to another country's investors and

- their direct investments with respect to establishment, acquisition, expansion, management, operation, and the sale or other disposition of direct investments; and
- (c) The provision under sub-section (b) shall not be construed so as to oblige to foreign investors for the benefits of any treatment, preferences or privileges resulting from any:
- 1) Custom Union, Free Trade Area, Economic Union and international agreements resulting in the creation of any Custom Union, Free Trade Area and Economic Union; and
  - 2) Favorable treatments to be accorded to investors and their investments included in international agreements, bilateral or regional or international agreements, agreements or arrangements between regional countries, favorable treatments to investors and their investments included in agreements or programs with other countries or arrangements relating wholly or partially to taxation.
48. The Government guarantees fair and equitable treatment in respect of the following:
- (a) The right to obtain relevant information on any Measures or decision which has a significant effect on an investor and its direct investment; and
  - (b) The right to due process and the right to appeal on matters concerning an investor and its direct investments including any changes or similar measures to the terms and conditions under any license or Permit and Endorsement granted by the Government to the investor and its direct investment.
49. The provisions under this Chapter shall not affect the provisions under section 76.

## **Chapter (12)**

### **Rights to Use Land**

50. (a) An Investor who obtains Permit or Endorsement under this law has the right to obtain a long-term lease of land or building from private land or building owned by citizen, land or building managed by the government, land or building owned by the Government department, Government organization in accordance with stipulated form. Citizen investors may invest on their owned land or building, in accordance with relevant laws.
- (b) Foreign investor may lease land or building up to an initial period of 50 years commencing on the date of receipt of the permit or endorsement from the Commission either from the Government or governmental organizations or from private land or building owners.
- (c) After the expiry of the term permitted under sub-section (b), a consecutive period of 10 years and a further consecutive period of 10 years extension to the initial period of lease land or building may be obtained with the approval of the Commission.
- (d) The investor shall register the lease agreement at the Registrar Office of Deeds and Assurances in accordance with the Registration Act.

- (e) The Government may grant more favorable terms and conditions for the lease of land and the rights to 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 Pyidaungsu Hluttaw submitted through the Government, grant a longer period for the rights to lease land or building and the rights to use land under this Law, to investors who invest in least developed and remote region.

### **Chapter (13)** **Employment of Staff and Workers**

51. The investor:

- (a) may appoint a qualified person of any citizenship in the investor's investment within the Union as senior manager, technical and operational expert, and advisor in accordance with applicable laws;
- (b) shall arrange to provide 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 the 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 existing labor laws and rules;
- (e) shall ensure the entitlements and rights contained in applicable labor laws and rules including minimum wages and salary, leave, holiday, overtime fee, damages, workman's compensation, social welfare, and other insurance relating to workers by stipulating the rights and duties of employers and employees and other employment terms and conditions contained in the employment contract; and
- (f) shall settle disputes arising amongst employers, amongst workers, between employers and workers, between workers and technicians or staff in accordance with applicable laws.

### **Chapter (14)** **Investment Guarantee**

52. The Government guarantees not to nationalize of any investment carried out in accordance with the law. Except under the following conditions the government guarantees not to take any measures which expropriate indirectly expropriate or 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 applicable laws
  - (d) upon payment of prompt, fair and adequate, compensation; and
53. When determining a fair and adequate compensation, the amount to be considered shall be the market value at the time of expropriation and the amount shall be equivalent to the market value of the expropriated investment. However, determination of the compensation amount shall also be based on a fair consideration of public interest as well as the private investor's interests, and shall take into account the investment's present and past conditions, the reason for expropriation of the business or property, the fair market value of the investment, the purpose of expropriating the business or property, the profits acquired by the investor during the term of investment, and also the duration of the investment.
54. Non-discriminatory measures of general application which governments normally take for the purposes of regulating economic or social activity in their authority including without limit the provisions enumerated in Chapter (21) and Chapter (22) are not precluded by this chapter.
55. If an investor asserts that a measure or series of measures undertaken under section amounts to an indirect expropriation and to be in breach of the conditions under section 52, the Government shall conduct a case-by-case and fact-based inquiry that takes into consideration the following factors:
- (a) Whether the action creates an intentional adverse effect on the economic value of an investment;
  - (b) Whether the action breaches the Union Government's prior binding written commitment, contract, license, or other legal documents issued in favor of the investor; and
  - (c) Whether the government action, including the objective contained in section 52 (a), is consistent or not to the public interest.

#### **Chapter (15)** **Transfer of Funds**

56. Foreign Investors may allow to transfer the following funds relating to the investments made under this law:
- (a) contribution to capital, subject to Central Bank of Myanmar capital account rules;
  - (b) profits, capital gains, dividends, royalties, copyright fees, license fees, technical assistance and management fees, shares and other current income in connection with any investment under this Law;
  - (c) proceeds from the total or partial sale or liquidation of an investment or property owned in connection with an investment;

- (d) payments made under a contract, including a loan agreement;
  - (e) awards resulting from any settlement of investment disputes;
  - (f) compensation or other payments made pursuant to investment or expropriation; and
  - (g) earnings and other remuneration of expatriate personnel legally employed in the Union.
57. Transferring or receiving of loans shall be in accordance with the stipulated regulations and with the approval of the Central Bank of Myanmar.
58. Myanmar citizen investors are allowed to transfer the following funds in connection with the investments made under this law, freely and without delay:
- (a) royalties, license fees, technical assistance, management fees, which are payable to a foreign investor, and interest payments to any outside organization;
  - (b) payments made under contracts including loan agreements and insurance claims;
  - (c) payments resulting from a settlement of any dispute including awards, arbitration or any agreement on payment that the Myanmar citizen has made.
59. Any transfer of funds shall be allowed only after all tax obligations relevant to the intended transfer amount have been met in accordance with stipulated tax laws.
60. After having paid the taxes by complying with tax obligations contained in the Income Tax Law, expatriate personnel with legal work permits shall be permitted to make remittances abroad without any further deduction, through banks with authorized foreign exchange dealer license established in the Union.
61. In respect of monetary transfers made by foreign investors pursuant to the provisions under section 56, which are within the classification of capital accounts or current accounts under the Foreign Exchange Management Law, such transfers may be made through banks with authorized foreign exchange dealer license legally established in the Union, in freely usable currencies at the prevailing of exchange.
62. The Government may prevent or delay a transfer of funds by any of the following circumstances relating to :
- (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 savings schemes; and
  - (g) severance entitlements of employees.

63. The Government shall allow the transfer from abroad of capital for expenditures and of foreign loans used by investors and for their investments within the Union, in accordance with applicable laws.
64. In the event of serious balance-of-payments and/or external financial difficulties, the Union Government may adopt or maintain restrictions on payments or transfers related to investments which are consistent with the Foreign Exchange Management Law and other international obligations.

### **Chapter (16)**

#### **Responsibilities of Investors**

65. The Investor -
- (a) shall respect and comply with the customs, traditions and culture of the national races in the Union;
  - (b) shall establish and register a company or sole proprietorship or legal entities or branches under the applicable laws in order to invest;
  - (c) shall abide by the rules and stipulations of special licenses, permits, and business operation certificates issued to them, including the rules, procedures, notifications, orders and directives issued under applicable laws and this law ,terms and conditions of contract and tax obligations;
  - (d) shall carry out in accordance with the stipulations of department concerned if it is required by the nature of business or other need to obtain any license or permit from the relevant Union Ministries, governmental bodies and organizations, or to carry out registration;
  - (e) shall immediately inform to the Commission if natural mineral resources or antique objects and treasure trove, which are not related to the permitted business and not included in original contracts, are found above and under the land on which the investor is entitled to lease or use. If the Commission allows shall continue to carry out business on such land, and carry out the business at the substituted place which is selected and submitted by the investor if not applicable;
  - (f) shall not make any significant alteration of topography or elevation of the land on which he is entitled to lease or has rights to use, without the approval of the Commission;
  - (g) shall in relation to the investment business, abide by applicable laws, rules, procedures and best standards practiced internationally so as not to cause damage, pollution, loss to the natural and social environment and not to cause damage to cultural heritage;

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- (h) shall prepare and keep proper records of books of account and annual financial statement, and necessary financial matters relating to the investments which are performed by permit or endorsement in accordance with internationally and locally recognized accounting standards;
  - (i) shall discontinue the business 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 and directives during the period of suspension of business for a concrete reason;
  - (k) shall pay compensation and indemnification in accordance with applicable laws to the relevant employee or his/her successor for injury, disability, disease and death due to the work;
  - (l) shall supervise foreign experts, supervisors and their families, who employ in investment, to abide by applicable laws, rules, orders and directives, and the customs and traditions of Myanmar;
  - (m) shall respect and comply with existing labor laws;
  - (n) shall have the right to sue and be sued in accordance with laws;
  - (o) shall pay effective compensation for loss incurred to victim, if the investor causes damage to the natural environment and causes socioeconomic losses, such as that caused by logging or extraction of natural resources, which are not related to the scope of the permitted investment, except from carrying out the activities which are required to conduct investment which includes in a Permit or an Endorsement.
  - (p) If the investor received the prior notice for inspection from Commission, investor shall allow the Commission to inspect in any places related with the investment.
  - (q) The investments which need to obtain prior approval under the environmental conservation law and the procedures, shall take permit or endorsement of Commission before undertaking the assessment. Such Investments which obtained permit or endorsement, shall report environmental and social impact assessment to the Commission along the period in which the activities of the investments.
66. The Commission may administer the investments including continuing to conduct or suspension depending on the analysis under section 65 (q).
67. The investors shall fulfill and comply with all responsibilities prescribed under section 65 from the date this Law comes into effect.



68. If the investor discontinues the investment before the expiry of permitted period, the investor shall, in selling, re-exporting and managing all machineries, equipment, motor vehicles and all other articles imported from abroad with relevant tax exemption or relief or both, repay the tax exemption or relief or both that it enjoyed during importation in accordance with the Commission's approval.
69. After securing a Permit or an Endorsement from the Commission, the investor shall execute and sign necessary contracts with the relevant government body or government organization, and conduct its investments.
70. The permission of the Commission must be secured for any extension and amendment of the contracts mentioned in section 69.
71. In conducting its investment business, the investor must carry out health assessment, cultural heritage impact assessment, environmental impact assessment and social impact assessment relevant to its business sector in accordance with relevant laws, rules, regulations and procedures.
72. All businesses which have secured a Permit or an Endorsement, must give notice to the Commission of any sub-lease, mortgage and transfer of shares and its business that occur during the investment period.

#### **Chapter (17)**

##### **Insurance**

73. The investor shall obtain all types of insurance prescribing in rules at any insurance enterprise which is entitled to carry out insurance activities within the Union.

#### **Chapter (18)**

##### **Exemptions and Reliefs**

74. For the purpose of supporting the country's development by allowing investment in sectors which need to be developed, and for the proportionate development of Regions and States, the Commission shall scrutinize and may grant one or more tax exemption or relief if the investor applies for such exemption or relief.
75. (a) With respect to the income tax exemption, the Commission will issue a notification with the approval of the Union Government to designate as Zone (1), the regions that are least-developed, and as Zone (2), the regions that are moderately developed, and as Zone (3), the regions that are adequately developed, and income tax exemption may be granted to investment businesses in Zone (1) for a period of 7 consecutive years including the year of commencement of the business, investment businesses in Zone (2) for a period of 5

- consecutive years including the year of commencement the business, and investment businesses in Zone (3) for a period of 3 consecutive years including the year of commencement of the business.
- (b) With the approval of the Union Government, the Commission may change the designation of the zones from time to time depending on the development of the respective region.
  - (c) Income tax exemptions shall be only granted for sectors which the Commission has specified under a notification as sectors for the promotion of investments.
76. In addition to the provisions under Chapter (11) 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 more favorable 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 duties and other internal taxes to the investor if applied.
- (a) exemptions or reliefs from customs duties or other internal taxes or both on machineries, equipments, instruments, machinery components, spare parts, construction materials not available 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 business;
  - (b) exemptions or reliefs from the customs duties or other internal taxes or both on the importation of the raw materials and partially manufactured goods conducted by an export-oriented investment business for the purposes of the manufacture of products for export;
  - (c) reimbursement of customs duties or other internal taxes or both on imported raw materials and partially manufactured goods which are used to manufacture products for export; and
  - (d) if the volume of investment is increased with the approval of the Commission and the original investment business is expanded during the permitted period of investment, exemption or relief from the customs duty or other internal taxes or both on machineries, equipment, instruments, machinery components, spare parts, materials used in the business, and construction materials not available locally, which are imported as they are actually required for use in the business which is being expanded as such.
78. The Commission may scrutinize and grant the following exemptions and relief as necessary to the investor if applied.

- (a) Exemption or relief from income tax if the profit obtained from the investment business that has secured a Permit or Endorsement is reinvested in such investment business or in any similar type of investment business within one year.
  - (b) Right to deduct 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 from assessable income, incurred for the research and development relating to the investment activities / business which is actually required for the economic development of the Union and carried out within the Union.
79. The foreign investors have to pay income tax on their income at the rates applicable to the citizens residing within the Union.
80. Apart from the aforementioned exemptions and reliefs under section 75, 77 and 78, other tax related matters shall be carried out in accordance with relevant tax laws.
81. The exemptions and relief under section 75, 77, 78 and 80 shall not be applicable to businesses operating in special economic zones.

#### **Chapter (19)** **Settlement of dispute**

82. In effectively implementing this Law, the Commission shall establish and manage a grievance mechanism to allow in order to inquire and resolve issues before they become legal disputes and to prevent the occurrence of disputes.
83. Before any investment dispute between the investor and the Union or between the investors is brought to any court or arbitral tribunal, all parties involved in the dispute shall make appropriate 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 complied and settled in court or arbitral tribunal in accord with the applicable laws.
  - (b) It shall be complied and settled in accord with the dispute settlement mechanism if it is stipulated in the relevant agreement.

#### **Chapter (20)** **Administrative Penalties**

85. The Commission:

- (a) may impose one or more of the following administrative penalties against an investor which violates any of the rules, regulations, procedures, notifications, orders, directives, or terms and conditions contained in the Permit or Endorsement:
- 1) Censure;
  - 2) Temporary suspension of business
  - 3) Temporary suspension of tax exemption and reliefs
  - 4) Revocation of the Permit or Endorsement;
  - 5) Listing the business in a blacklist for which no Permit or Endorsement shall be granted in the future.
- (b) shall notify the investor of the administrative penalties prior according to sub section (a). The investor has the right to question in writing of the administrative penalties.
- (c) When an administrative penalty is imposed under sub-section (a), the reason for imposing such penalty shall be stated together with the decision.
86. (a) The investor shall have the right to apply to the government in accordance with the stipulations if the investor is not satisfied with any decision made by the commission under section 85 within 60 days of the decision
- (b) The government may amend, reject or approve the commission's decision
- (c) The government's decision shall be final
87. An investor shall be prosecuted in accordance with the criminal procedure if there is sound evidence as to dishonestly submitting false information or concealment of information when submitting any proposal, accounts, evidence of contracts, financial and evidence of employment to the Commission, relevant Ministry, or any government body or organization.
88. If an investor fails to comply with any provisions of this law or violate any prohibitions for investment in any business stipulated under section 41, he/she shall be prosecuted in accordance with this Law and other applicable laws if necessary.

## **Chapter (21)**

### **Exceptions**

89. Nothing in this Law shall be construed to prevent the Government from adopting or maintaining reasonable non-discriminatory Measures for prudential reasons, such as:-
- (a) necessary to protect public morals or to maintain public order;
  - (b) necessary to protect lifespan 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, soundness and stability of financial institutions;
- (e) ensuring the integrity and stability of the Union's financial system.
- (f) aiming to ensure fair and effective assessment or taxation relevant to investors;
- (g) protection of artistic, historical or ancient national treasures or heritage; and
- (h) preservation natural resources not to be damaged by domestic production or consumption.

### **Chapter (22)**

#### **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 important security interests including but not limited to:
- 1) 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;
  - 2) action taken in time of war or other emergency in international relations.

### **Chapter (23)**

#### **Miscellaneous**

91. If any provision of this Law is contrary to any matter provided for in the international treaties and agreements adopted by the Republic of the Union of Myanmar, the provisions contained in the international treaties and agreement shall be abided by for such contradictory provision.
92. After the enactment of this Law, and within the period before prescribing the necessary procedures, the rules issued under the Foreign Investment Law (PyidaungsuHluttaw Law No. 21/2012) may continue to be observed if it is not contrary with this Law.
93. Any investment approval granted by the Commission in accordance with the Union of Myanmar Foreign Investment Law (The State Law and Order Restoration Council Law No. 10/1988) or the Foreign Investment Law (2012, PyidaungsuHluttaw Law No. 21) or the Myanmar Citizens Investment Law (2013, PyidaungsuHluttaw Law No.18) shall continue to be effective till the prescribed expiration of the permit.
94. Notwithstanding anything contained in any other law, matters relating to any provision covered by this Law shall be carried out in accordance with this Law.

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95. No suit, criminal or civil proceeding shall lie against any member of the Commission, any member of a committee or body, or any civil servant, for any act done in good faith which has credible evidence in accordance with the powers conferred under this Law.
96. In performing duties under this Law, the members of the Commission and the officers of the Commission Office shall carry out such duties in accordance with Anti-Corruption Law.
97. The members of the Commission shall refrain from using its acquired information for any other purposes other than implementing the objectives under this Law.
98. Any decision made by the Commission pursuant to the powers conferred by this Law shall be final and conclusive except for any appeal in relation to the imposition of administrative penalties under section 85.
99. In order for the Commission to carry out the provisions under this Law, the Ministry of Planning and Finance shall;
- (a) assume the duties and responsible of commission;
  - (b) bear the expenditures of the Commission in accordance with rules and regulations of finance.
100. In implementing this Law:
- (a) The Ministry may, with the approval of the Union Government, issue rules, regulations, procedures, orders, notifications and directives.
  - (b) The Commission may issue orders, notifications, directives and procedures.
101. The Foreign Investment Law (2012 PyidaungsuHluttaw Law No. 21) and the Myanmar Citizens Investment Law (2013, PyidaungsuHluttaw Law No. 18) are hereby repealed by this Law. Although the Foreign Investment Law is repealed, the Myanmar Investment Commission formed by that law shall have the authority to perform its functions until all its duties and responsibilities 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