



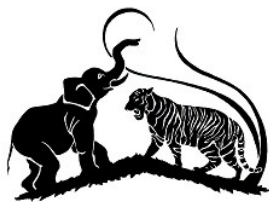
Dear Readers,

Welcome to a new edition of our newsletter.

1. Four large electricity projects awarded

Perhaps fittingly, the Ministry of Electricity and Energy announced on its Facebook page that it awarded notices to proceed for four large electricity projects (three LNG to power projects and one combined-cycle gas turbine project) in a signing ceremony on 30 January 2018. If completed, the four projects will roughly double the country's electricity production. According to the Ministry's post:

- With the consent of the Union Government, notices to proceed go to the following companies:
 - Total Gas & Power Business Services S.A.S. and Siemens AG for the Kanbauk LNG to power project;
 - Zhefu Holding Group Co., Ltd. and Supreme Trading Co., Ltd. for Meelaung Gyaing LNG to power project in Ayeyarwaddy Region;
 - TTCL Public Company Limited for the Ahlone LNG to power project in Ahlone Township in Yangon Region;
 - Sino Hydro Corporation Limited and Supreme Trading Co., Ltd. for the Kyaukphyu CCPT project in the Kyaukphyu area in Rakhine State.
- With these notices to proceed, preliminary tasks for the projects such as business plans, initial surveys, making designs and initial engineering works can be commenced.
- Profound discussions and negotiations shall be conducted for the financing of the projects, power purchase agreements, lease agreements for the project areas and other licenses and permits for the implementation of the projects.
- Myanmar will import LNG for the production of electricity for a certain period of time due to the decline of the production of natural gas and the long time it takes to construct hydropower plants.
- Myanmar will implement projects for the conversion of onshore and offshore natural gas within the country to LNG in addition to the imported LNG.



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- The first phase of the Kanbauk LNG power plant project will be finished within 36 months; it will be possible to produce 1,230 MW of electricity after the completion of the second phase within 48 months.
- The first phase of the Meelaung Gyaing LNG to power plant project will be finished within 36 months; it will be possible to produce 1,390 MW of electricity after the completion of the second phase within 42 months.
- The Ahlone LNG to power plant project will be finished within 28 months; it will be possible to produce 356 MW of electricity after completion.
- Floating storage regasification units (FSRUs), gas pipelines, power plants and power supply lines will be constructed at the same time in separate projects.
- The Kyaukphyu combined-cycle power project (CCPT) will be finished within 28 months; it will be possible to produce 135 MW of electricity after completion.
- After the completion of all the above projects within 48 months, it will be possible to supply 3,111 MW to the electricity supply system.
- The Ministry will fully cooperate with regard to land acquisition, compensation and right of way matters during the construction period for high voltage power supply lines.
- The Ministry will assist in the negotiations with the relevant departments, regional authorities and local residents in the project areas in order to implement the projects.

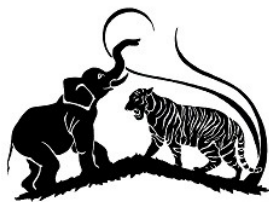
The full translation of the Ministry's Facebook post can be downloaded on our homepage: <https://tinyurl.com/y8blrd8v>. Readers may also be interested in an interview with the Minister of Electricity and Energy that appeared in the Global New Light of Myanmar on 31 January 2018 and summarizes the present situation of electricity production and mid-term plans: <https://tinyurl.com/ydyh6eqa>

2. New Myanmar Investment Commission appointed

A new Myanmar Investment Commission was appointed on 29 January 2018 (although not many members have been exchanged); a translation of corresponding Union Government Notification 20/2018 can be found on our homepage: <https://tinyurl.com/y9j4sg65>

Furthermore, there have been changes in the regional investment commissions in Rakhine State and Nay Pyi Taw as well as in the "investment assistance committee" (which is a team within the MIC dealing with investment disputes).

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3. Draft model constitution for private companies published

The Directorate of Investment and Company Administration (“DICA”) has published the draft of a model constitution that is to be used once the new Companies Law enters into effect (which is expected to happen on 1 August 2018). DICA solicits feedback from the public until 28 February 2018: <https://tinyurl.com/yaeaos4t>

4. Minimum telecom license fees proposed

The Ministry of Transport and Communications takes issue with companies not starting business after having obtained one of the various telecommunication licenses. As license fees are expressed as a percentage of the annual revenue, the country loses out in terms of fees if a company remains dormant. To remedy this situation, the Ministry proposes an alternative minimum fee and solicits feedback from the public in this regard until 7 February 2018. Please find a translation of the announcement on our homepage: <https://tinyurl.com/y8myhme3>

5. Bureau of Special Investigation investigates nominee structures

This Chinese site <https://tinyurl.com/y9cpvdhc> reports that the Bureau of Special Investigation under the Ministry of Home Affairs is investigating nominee structures in the trading and mining sector. As foreign investment in trading and in small and mid-scale mining is prohibited or severely restricted, nominee structures are common, and we understand that in the past the authorities did not seriously attempt to crack down on them. Things may now be a bit different. As having to deal with the Bureau of Special Investigation is pleasant for neither the Myanmar nominee nor the foreign principal, it may be wise to keep a low profile so as not to trigger complaints by competitors (and our advice is anyway to refrain from nominee structures).

The same author reports, by the way, that the Directorate of Investment and Company Administration (“DICA”) has temporarily suspended the registration of foreign-invested companies with the business scope “construction services” as such companies have become the conduit for the import of foreign labour in the construction sector. We have not verified this information, but if true, it shows (again) that Myanmar Investment Notification 15/2017 is not a comprehensive list of market access restrictions, and that restrictions may appear along the road in the pursuit of a policy or in order to counter a development deemed undesirable.

6. Ministry of Commerce adds 830 items to list of goods requiring an import license

On 14 December 2017, the Ministry of Commerce added 830 items to the list of goods that require an import license. The license has to be obtained prior to the goods arriving in Myanmar. The present list, which now comprises 4,818 items, can be downloaded from the homepage of



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the Ministry of Commerce: <https://tinyurl.com/yCSWCEPS> (scroll down for the list in English). JETRO reports that the amendment - which seems to be odd at first given that the Ministry had previously reduced license requirements - is due to a more detailed HS code categorization as well as the request by line ministries in charge of certain goods.

7. Seminar: Forex control and lending; registration of lease and other agreements; trademark protection

Please send an e-mail to sebastian@lincolnmyanmar.com or nyeinchanzaw@lincolnmyanmar.com if you wish to attend the seminar on 27 February 2018. The seminar invitation can be found here: <https://tinyurl.com/yCSE6B9N>

8. Foreign consultants (freelancers) do not need to set up a company in Myanmar

As some law firms seem to be spreading other information, we should like to take this opportunity to point out that foreign consultants retained as freelancers by, e.g., NGOs do NOT have to set up a company to operate lawfully in Myanmar (neither according to the present Companies Act nor according to the new Companies Law). Nothing has changed with regard to foreign consultants.

9. Parkside One opens new business centre

A bit of promotion for Parkside One; they have opened a new business centre: <https://tinyurl.com/y9qmf582>

10. Electricity and energy news

- (a) Interest free World Bank loan - USD 320 million the expansion of transmission lines and USD 90 million for rural electrification: <https://tinyurl.com/yBU27UDQ>
- (b) Surbana Jurong to design MOSB's offshore supply base in Mon State: <https://tinyurl.com/yBKbw2oj>
- (c) USD 2.8 billion coal-fired power plant in Hpa-an faces fierce local opposition: <https://tinyurl.com/y7k2mkfy>
- (d) Laos to sell electricity to Myanmar: <https://tinyurl.com/yajz9n35>
- (e) China National Petroleum Corp. exploring new sources of natural gas in Myanmar: <https://tinyurl.com/y8ccj3kd>



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11. Market access and other news

- (a) Myanmar negotiating bilateral investment treaties with Singapore and Hong Kong: <https://tinyurl.com/y8p46m4z>
- (b) No extension of deadline to obtain YCDC permission to construct telecom infrastructure on YCDC land: <https://tinyurl.com/y8pfcyga> (Companies laying cables and constructing other telecom infrastructure on land owned by the Yangon City Development Committee [YCDC] need permission from the YCDC to do so. Only MPT and Eager Communication Group have apparently obtained this permission so far. YCDC ordered the other companies to apply for permission until 31 December 2017. 18 companies applied. YCDC announced that it will not extend the deadline for the companies that did not apply, meaning that these companies may be ordered to pay a fine and/or dismantle their infrastructure.)
- (c) Gold exports now permitted: <https://tinyurl.com/yddrfdcq>
- (d) Central Bank: Interest to remain unchanged until 2020: <https://tinyurl.com/yayknmcv>
- (e) Terms and conditions for JICA's SME loans (up to Ks. 500 million): <https://tinyurl.com/yd2l4z3q> - while Denmark has also set up a fund for SMEs: <https://tinyurl.com/yd9g2hcz>
- (f) South Korea to build USD 98 million logistics hub in Yangon: <https://tinyurl.com/ybjc8g6f>
- (g) Campana raising USD 60 million for sub-sea cable network: <https://tinyurl.com/yddoky2e>
- (h) JICA drawing up master plan for Dawei SEZ - stalled project to resume?: <https://tinyurl.com/ybawva9g>
- (i) Kyaukphyu SEZ stalled as local consortium requests an increase of its share to 30% (but does not want to contribute the corresponding capital): <https://tinyurl.com/ybdsb2mw>
- (j) Over a dozen venture capital deals recorded in Myanmar in 2017: <https://tinyurl.com/yb5kcwx7>



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12. Tenders

- (a) **Government seeks public private partnership for Yangon - Nay Pyi Taw - Mandalay highway:** <https://tinyurl.com/ybeaubet>
- (b) **Ministry of Construction (Bridge Department):** Gyaing Kawkareik bridge construction: <https://tinyurl.com/ybg7ryts>
- (c) **Ministry of Construction (Bridge Department):** Large bridge construction project (USD 137,833,000): <https://tinyurl.com/y7szg3b4> (open only to Korean companies)
- (d) **Myanma Petroleum Products Enterprise:** Sale of high-speed diesel: <https://tinyurl.com/y8umjdde>
- (e) **Ministry of Labour, Immigration and Population:** Upgrade of facilities of the Social Security Board: <https://tinyurl.com/y6w7hor6>
- (f) **Myanma Oil and Gas Enterprise:** Purchase of assorted equipment: <https://tinyurl.com/y8kz5m86>

We hope that you have enjoyed reading our newsletter and found it useful.

Sebastian Pawlita
Managing Director

Nyein Chan Zaw
Director