

# LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

**Socialist Republic of the Union of Myanmar**

**Council of State**

**Pyithu Hluttaw Law No. 1/1987**

Yangon, 2<sup>nd</sup> Waning Day of Tabaung, 1348

(16 March 1987)

(Amended on 13 January 2005)

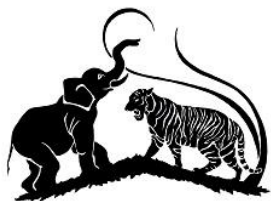
The following law is hereby promulgated.

The Pyithu Hluttaw enacted the following law.

## **Chapter 1**

### **Name and definitions**

1. This law shall be called the Transfer of Immovable Property Restriction Law.
2. The following expressions shall have the following meanings:
  - (a) **“State”** means the Socialist Republic of the Union of Myanmar;
  - (b) **“foreigner”** includes the following:
    - (1) a person who is not a citizen, associate [*literally, “guest”*] citizen or naturalised citizen under the Myanmar Citizenship Law;
    - (2) a person whose citizenship, associate citizenship or naturalised citizenship has been terminated or revoked according to the Myanmar Citizenship Law;
  - (c) **“foreigner-owned company”** means a company or partnership whose management and control is not in the possession of citizens, or a company or partnership in which citizens do not have the majority of shares;
  - (d) **“immovable property”** means land, benefits to arise out of land, buildings and objects constructed or existing on land, and objects installed in a building;
  - (e) the expressions **“transfer, lease, sale, gift, mortgage, exchange of property”** are defined as in the Transfer of Property Act;
  - (f) **“gift”** includes a donation or the giving in trust.



## Chapter 2

### Restrictions in respect of immovable property

3. Nobody may accept the transfer of immovable property to or from a foreigner or foreigner-owned company by sale, purchase, gift, acceptance as a gift, mortgage, acceptance of a mortgage, exchange, or transfer by other means.
4. No foreigner or foreigner-owned company may accept the transfer of immovable property by sale, purchase, gift, acceptance as a gift, mortgage, acceptance of a mortgage, exchange, or transfer by other means.
5. Nobody may lease immovable property
  - (a) to a foreigner or a foreigner-owned company, or
  - (b) from a foreigner or foreigner-owned companyfor longer than one year at a time.
6. If a foreigner dies, or if any person settles abroad permanently, or if a person is sentenced to deportation, the relevant ministry may, concerning the immovable property owned by that person, on a case-by-case basis do the following after scrutiny:
  - (a) Allowing the inheritance according to the law;
  - (b) confiscation as public property.
7. If the relevant ministry decides to allow the inheritance according to section 6(a), the heir of the immovable property shall be determined either by mutual agreement among the heirs or by the decision of a court according to the relevant inheritance law.

## Chapter 3

### Registration

8. A foreigner or foreigner-owned company shall register their immovable property in the State as prescribed with the township registration board corresponding to the area where the property is situated.
9. With respect to immovable property owned prior to the enactment of this law by a foreigner or foreigner-owned company residing outside of the State, their representative shall register the property as prescribed with the township registration board corresponding to the area where the property is situated.



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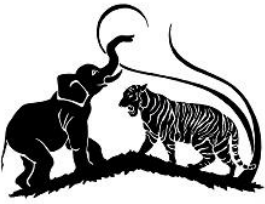
10. The township registration board shall investigate as prescribed whether there is a failure to register immovable property according to section 8 or 9, whether the registration is correct, and whether information is withheld, and report the findings of the investigation to the district administrator.

### **Chapter 4 Penalties**

11. Whoever is convicted of having violated any of the provisions of section 3 or 4 shall be sentenced to a minimum of three years and a maximum of five years imprisonment, and the immovable property involved in the offence shall be confiscated as public property.
12. Whoever is convicted of having violated the provisions of section 5 shall be fined not less than three times the agreed rent for the period of the lease, and the immovable property involved in the offence shall be confiscated as public property.
13. Any person responsible for registering immovable property according to section 8 or 9 convicted of having failed to register it, of deliberate misrepresentation in the registration, or of having withheld information, shall be sentenced to a minimum of one year and a maximum of three years imprisonment, and the immovable property involved in the offence shall be confiscated as public property.

### **Chapter 5 Miscellaneous**

14. Any relevant ministry may exempt foreign diplomatic organisations that have diplomatic relations with the State, organisations of the United Nations, and any other organisation or individual from the provisions of this law.
15. The provisions of this law shall not apply to companies or organisations that have entered into contracts with the State for joint ventures.
16. The ministry mandated by the Cabinet shall examine and decide on a case-by-case basis whether to allow the registration of contracts related to the transfer of immovable property submitted for registration to the Registration of Deeds Office prior to the enactment of this law.
17. Permission from the relevant ministry shall be obtained prior to prosecuting offences committed under this law.
18. In order to implement the provisions of this law, the relevant ministry:
  - (a) shall issue procedures as required with the approval of the Cabinet;



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- (b) may issue orders and directives as required.
19. The following laws and rules are hereby repealed:
- (a) The Transfer of Immovable Property (Restriction) Act, 1947.
- (b) The Transfer of Immovable Property (Restriction) Rules, 1956.

(Signature) San Yu  
Chairman  
Council of State

Yangon, 2<sup>nd</sup> Waning Day of Tabaung, 1348  
(16 March 1987)

By order  
(Signature) Colonel Tin Hlaing  
Director General  
Office of the Council of State  
Socialist Republic of the Union of Myanmar



## LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

### About Lincoln Legal Services (Myanmar) Limited

Lincoln Legal Services (Myanmar) Limited provides the full range of legal and tax advisory and compliance work required by investors. We pride ourselves in offering result-oriented work, high dependability and a fast response time at very competitive prices. Please do not hesitate to contact us:

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