



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

NEWSLETTER 162 - 3 August 2024

Dear Readers,

Welcome to a new edition of our newsletter.

1. Industrial zone central committee established

Following the issuance of [Industrial Zone Rules](#) on 2 April 2024, the State Administration Council (“SAC”) on 12 May 2024 set up the industrial zone central committee which in its turn set up regional committees on 27 June 2024 (see next article).

This marks a step in the shifting of existing industrial zones into a new regulatory framework created by the [Industrial Zone Law](#) of 2020.

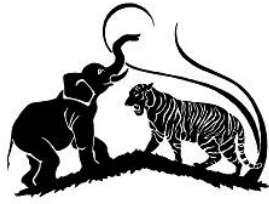
Our understanding is that this new framework sets up a structure composed of the central committee, regional committees and management committees that operates at least partly in parallel and in addition to the Myanmar Investment Commission (“MIC”) when it comes to approving investments and the appointment of foreign skilled workers and experts.

Furthermore, the new framework moves the management of existing industrial zones to a management committee that is not chosen by the zone’s owner, developer or operator but by the regional committee. Currently, existing industrial zones are either operated by a government department (e.g., the Yangon City Development Committee) or a private developer (e.g., i-Land in Bago Region). According to our understanding of the new framework, there are no exceptions for private developers, at least none are apparent.

For an existing zone to be shifted into the new system, it must first be categorised by the regional committee with the approval of the central committee according to size, type and class and then declared an “industrial zone” by the Union government. Within 1 month from this declaration, the regional committee shall form a selection team to establish a management committee for the respective zone.

CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

**Republic of the Union of Myanmar
State Administration Council
Notification No. 98/2024
1386, 5th Waxing Day of Kason**



(12 May 2024)

Establishment of the Industry and Industrial Zone Development Central Committee

1. The State Administration Council has established the Industry and Industrial Zone Development Committee according to the provisions of section 4 (a) and (b) Industrial Zone Law and rule 3 Industrial Zone Rules as follows:
 - (a) Deputy Prime Minister
Vice President
State Administration Council
Chairman
 - (b) Union Minister
Ministry of Industry
Vice Chairman
 - (c) Union Minister
Ministry of Investment and Foreign Economic Relations
Member
 - (d) Union Minister
Ministry of Agriculture, Livestock and Irrigation
Member
 - (e) Union Minister
Ministry of Natural Resources and Environmental Conservation
Member
 - (f) Union Minister
Ministry of Electric Power
Member
 - (g) Union Minister
Ministry of Energy
Member
 - (h) Union Minister
Ministry of Labour
Member
 - (i) Union Minister
Ministry of Commerce
Member



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(j)	Union Minister Ministry of Construction	Member
(k)	Deputy Minister Ministry of Transport and Communications	Member
(l)	Deputy Minister Ministry of Home Affairs	Member
(m)	Deputy Minister Ministry of Planning and Finance	Member
(n)	Deputy Minister Ministry of Industry	Secretary
(o)	Director General Industrial Supervision and Inspection Department Ministry of Industry	Joint-Secretary

2. The duties of the Industry and Industrial Zone Development Central Committee are as follows.

- (a) Policy formulation and guidance for the successful implementation of Industrial Zones in according to the provisions of the Industrial Zone Law;
- (b) scrutiny and review of proposals of Regional Committees for the establishment of Industrial Zones and submission to the Government with comments;
- (c) establishment of Regional Committees;
- (d) approving taxes, the land rent and land use fees proposed by a Regional Committee to be collected from Developers and Investors in an Industrial Zone;
- (e) approving, coordinating and guiding proposals for Industrial Zone construction and for an investment business, industrial zone development projects and policies, and *[other]* Industrial Zone matters, all submitted by



a Regional Committee;

- (f) coordinating to create infrastructure and necessary assistance for the development of an Industrial Zone.
3. The Ministry of Industry's Industrial Supervision and Inspection Department shall be responsible for the office work of the Industry and Industrial Zone Development Central Committee.

By order

Aung Lin Dwe
Lieutenant General
Secretary

2. Regional industrial zone committees established

The Myanmar Gazette dated 26 July 2024 reports the establishment of regional industrial zone committees for Kachin, Kayah, Kayin and Chin States and Sagaing Region on 27 June 2024.

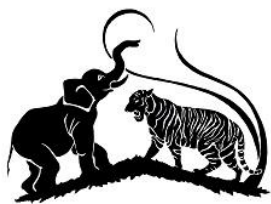
We understand that regional committees were also established for other Regions, in particular Yangon, Bago, Mandalay and Ayeyarwaddy, and that the corresponding notifications will be published in upcoming Myanmar Gazette editions.

CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

**Republic of the Union of Myanmar
Industry and Industrial Zone Development Central Committee
Notification No. 1/2024
1386, 6th Waning Day of Nayon
(27 June 2024)**

**Establishment of the Kachin State Industrial Zones Development and Supervisory
Committee**

1. The Industry and Industrial Zone Development Central Committee has established



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the Kachin State Industrial Zones Development and Supervisory Committee according to the provisions of section 6 (a), (b) and (c) Industrial Zone Law with 15 members as follows:

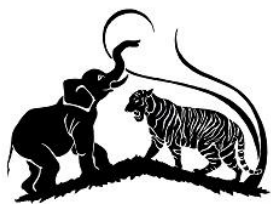
(a)	Chief Minister Kachin State Government	Patron
(b)	Minister of the Economy Kachin State Government	Chairman
(c)	State-level Department Head Kachin State Department of Planning	Member
(d)	State-level Department Head Kachin State Budget and Accounts Department	Member
(e)	State-level Department Head Kachin State Land Registry Department	Member
(f)	Director Kachin State Municipal Development Group	Member
(g)	State-level Department Head Kachin State Environmental Conservation Department	Member
(h)	State-level Electricity Engineer Kachin State Electricity Supply Enterprise	Member
(i)	State-level Department Head Kachin State Internal Revenue Department	Member
(j)	Director (Urban) Kachin State Road Department	Member
(k)	State-level Department Head Kachin State Rural Development Department	Member
(l)	Chairman	Member



Myitkyina Industrial Ward

- | | | |
|-----|-------------------------------------------------------------------------------------------------|-----------------|
| (m) | State-level Administrator
Kachin State General Administration Department | Secretary |
| (n) | State-level Department Head
Kachin State Industrial Supervision and Inspection
Department | Joint-Secretary |

2. The duties of the Regional Committee are as follows according to sections 7 and 16 Industrial Zone Law.
 - (a) Concerning a proposal to establish an Industrial Zone submitted by the Nay Pyi Taw Council or a Regional or State Government or a Developer, scrutinising the suitability of the location, the required area, the size and demarcation, the availability of essentials for conducting business, the potential for economic growth and the existence of employment opportunities, and submitting *[the result]* to the Central Committee with comments;
 - (b) reviewing infrastructure availability and requirements and the efficient use of land, water and energy in the Industrial Zone, human resources development and environmental and socio-economic responsibility, and submitting *[the result]* to the Central Committee so that necessary policies may be established;
 - (c) making efforts to move enterprises operating outside of an Industrial Zone into the Industrial Zone, coordinating to provide rights and reliefs to those who move to the Industrial Zone and operate there, submitting the matter to the Central Committee if a policy is requested;
 - (d) carrying out development processes to establish new Industrial Zones;
 - (e) upgrading ongoing development programmes in Established Industrial Zones;
 - (f) developing and submitting necessary plans for the successful



- implementation of investment businesses in Established Industrial Zones and new Industrial Zones, determining responsibilities and obtaining approval from the Central Committee;
- (g) determining, scrutinising and confirming the location to construct buildings for new investment businesses in Established Industrial Zones;
 - (h) determining the land lease period in years for Industrial Zones;
 - (i) if investors in an Industrial Zone apply for an investment business permit according to section 24, allowing scrutiny as prescribed;
 - (j) proposing and submitting the land rent and land use fees to the Central Committee so that they may be determined and announced, and collecting them as approved;
 - (k) from the revenues received according to section 23 (h), submitting the percentage determined by the Central Committee to the Union budget and designating the remainder as a fund and handling it according to the financial regulations and terms;
 - (l) making arrangements to establish Management Committees and determining the qualification of Investors to be selected to serve on the Committee;
 - (m) establishing Management Committees, periodically inspecting their operations, and liaising with relevant departments and municipal organisations;
 - (n) scrutinising and approving projects submitted by the Management Committee for the development of the Industrial Zone, scrutinising and approving plans;
 - (o) approving the submission of the Management Committee regarding the construction of buildings, road construction, and maintenance and repair;
 - (p) determining the types of business for which investments may be made in



- the Industrial Zone, as suggested by the Management Committee;
- (q) reporting the status of Industrial Zone implementation to the Central Committee once every 6 months;
 - (r) taking legal action against encroachment into an Industrial Zone, the construction of buildings without permission, and trespass;
 - (s) coordinating to open courses and provide training for the availability of workers with necessary skills and for safety;
 - (t) determining the land value and collecting fines according to section 34 (b);
 - (u) the Regional Committee shall propose and submit to the Central Committee for approval the size, type and class of an Industrial Zone according to industrial policy.

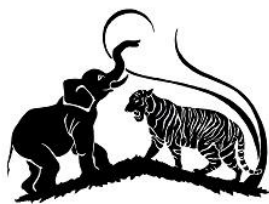
[The Myanmar Gazette dated 26 July 2024 furthermore published Notifications 2, 3, 4 and 5/2024 setting up regional industrial zone committees for Kayah, Kayin and Chin States and Sagaing Region. The duties of the regional committees are the same in all notifications.]

3. IFRS compulsory for public interest entities from the 2027-2028 financial year

As reported in the Myanmar Gazette dated 19 July 2024, the Myanmar Accountancy Council made the use of the [IFRS accounting standards](#) compulsory for public interest companies from the 2027-2028 financial year (earlier use is permitted).

Public interest companies are defined as

- State-owned banks;
- financial institutions and scheduled institutions as defined in section 2 (b) of the Financial Institutions Law, excluding microfinance institutions, credit societies and the “Postal Savings Bank” (we understand that this concept has been defunct [since 1992](#) when the Central Bank removed Myanmar Post’s authority to offer accounts and financial services);



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- Myanma Insurance and insurance companies allowed according to the Insurance Business Law, excluding “insurance business organisations” (we are not sure what this expression refers to);
- public companies that are listed on the Yangon Stock Exchange or have more than 100 shareholders, and their subsidiaries; and
- entities designated by the Accountancy Council from time to time.

Furthermore, the Accountancy Council repealed the 2010 [Myanmar Accounting Standards \(“MAS”\)](#) “from the effective date of this notification,” which we suppose means “from the 2027-2028 financial year”.

The MAS are identical to the 2010 versions of the IFRS accounting standards. Unlike the latter, they have not been updated since.

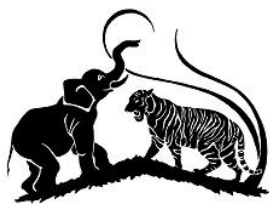
For all other businesses that are not public interest entities, the use of the IFRS or IFRS for SMEs became compulsory from the 2022-2023 financial year pursuant to Myanmar Accountancy Council Notification [19/2018](#). Most businesses did not feel any difference, though, as the treatment of common accounting events has not changed since 2010.

[The headline of this article and the preceding paragraph have been changed to correct an error.]

It should be noted that the Accountancy Council tried already previously - in vain - to make IFRS use compulsory for public interest entities; we understand that these efforts had to be postponed among others because of the IFRS diverging significantly from Central Bank rules for key valuations. We will see if it works out this time.

CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

**Republic of the Union of Myanmar
Myanmar Accountancy Council
Notification No. 22/2024
1386, 8th Waxing Day of Nayon
(14 June 2024)**



Publication for compliance with the International Financial Reporting Standards

The Myanmar Accountancy Council has issued this notification exercising the powers conferred by section 17 (d) Myanmar Accountancy Council Law.

1. It is compulsory for public interest entities (PIEs) established under laws in force to comply with the International Financial Reporting Standards (IFRS) in financial reporting.
2. The following entities are determined to be public interest entities as of the date of this notification:
 - (a) State-owned banks established according to any law in force;
 - (b) financial institutions and scheduled institutions as defined in section 2 (b) of the Financial Institutions Law in force (among scheduled institutions, microfinance institutions licensed according to the Microfinance Business Law, credit societies and the Postal Savings Bank are not included);
 - (c) Myanma Insurance established according to the Myanma Insurance Law and insurance companies allowed according to the Insurance Business Law (excluding insurance business organisations);
 - (d) public companies established according to the Myanmar Companies Law that are listed on the Yangon Stock Exchange or have more than 100 shareholders, and their subsidiaries;
 - (e) entities designated by the Myanmar Accountancy Council from time to time according to the laws in force.
3. Regarding the International Financial Reporting Standards (IFRS), it is necessary to comply in a timely manner when the International Accounting Standards Board (IASB) from time to time repeals or amends them or issues new ones.
4. This notification shall apply to all financial statements prepared from the 2027-2028 financial year. Such compliance may be implemented earlier than the specified time.



5. To provide necessary academic assistance for compliance with and to implement this notification, the Audit Monitoring Committee established according to section 20 (a) (5) Myanmar Accountancy Council Law and the Accounting Monitoring Committee established according to section 20 (a) (6) Myanmar Accountancy Council Law shall report to the Myanmar Accountancy Council Executive Committee through the Accounting Standards Committee.
6. Myanmar Accountancy Council Notification No. 18/2018 dated 4 July 2018 and Myanmar Accountancy Council Notification No. 16/2023 dated 23 March 2023 are repealed by this notification, and the Myanmar Accounting Standards (MAS) promulgated by Myanmar Accountancy Council Notification No. 1/2010 dated 6 May 2010 are repealed from the effective date of this notification.

Dr. Khin Naing Oo
Chairman
Myanmar Accountancy Council

4. Foreign and international organisations law drafting committee reshuffled

The Myanmar Gazette dated 19 July 2024 carried news that the Ministry of Home Affairs under the SAC reshuffled the committee for drafting a law to combat inappropriate influence by foreign and international organisations. This committee was originally set up in March 2023.

CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

**Government of the Republic of the Union of Myanmar
Ministry of Home Affairs
(Minister's Office)
Notification No. 524/2024
1386, 4th Waning Day of Nayon
(25 June 2024)**

Reorganisation of the Committee to Draft a Law (Draft) on Foreign Organisations and International Organisations



1. In order to prevent and restrain agents under foreign influence from being contacted by foreign states and interfering in various fields such as politics, security, economy and culture in the Union, the Committee to Draft a Law (Draft) on Foreign Organisations and International Organisations has been reorganised as follows, so as to realise the Union's interests and security, sovereignty and territorial integrity, and the rights and liberties of its citizens:

(a)	Police General Aung Naing Thu	Deputy Chief of Police (2) Myanmar Police Force Ministry of Home Affairs	Chairman
(b)	Police Brigadier General Kyaw Lin	Head of Department Criminal and Legal Affairs Department Myanmar Police Force Ministry of Home Affairs	Member
(c)	Dr. Yee Yee Cho	Deputy Rector Mandalay University Ministry of Education	Member
(d)	Dr. Tun Min	Deputy Permanent Secretary Ministry of Health	Member
(e)	U Myint Htwe	Deputy Director General Department of Hotels and Tourism Ministry of Hotels and Tourism	Member
(f)	Daw Yu Yu Naing	Director Department of Communications Ministry of Transport and Communications	Member
(g)	Colonel Aung Tun Lin	Senior Assistant Judge	Member



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		Advocate General Judge Advocate General's Office Ministry of Defence	
(h)	U Thet Lwin	Director Financial Supervision and Inspection Department Ministry of Planning and Finance	Member
(i)	Daw Zin Ma Htwe	Director International Organisations and Economic Department Ministry of Foreign Affairs	Member
(j)	U Thant Zin	Director Progress of Border Areas and National Races Development Department Ministry of Border Affairs	Member
(k)	Daw Hla Hla Swe	Director Law Draft Scrutiny Department Ministry of Legal Affairs	Member
(l)	Daw Hmone Shwe Yee	Director Electronic Registration System Department Ministry of Immigration and Population	Member
(m)	Daw Phuong Phyu Khaing	Director Department of Labour Ministry of Labour	Member



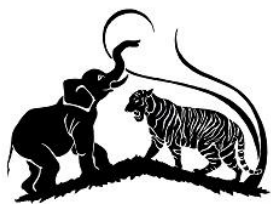
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(n)	Daw Cho Thet Mu	Director Department of Trade Ministry of Commerce	Member
(o)	U Tin Soe	Assistant Permanent Secretary Ministry of Science and Technology	Member
(p)	Daw Nwe Yin Aye	Assistant Permanent Secretary Ministry of Social Welfare, Relief and Resettlement	Member
(q)	Police Colonel Myint Aye	Director Criminal and Legal Affairs Department Myanmar Police Force Ministry of Home Affairs	Secretary
(r)	Police Lieutenant Colonel Khin Maung Sein	Deputy Director Criminal and Legal Affairs Department Myanmar Police Force Ministry of Home Affairs	Joint Secretary

2. The duties of the Committee to Draft a Law (Draft) on Foreign Organisations and International Organisations are as follows:

- (a) Studying and analysing the legal frameworks in other states and ASEAN states for preventing and restraining agents under foreign influence from being contacted by foreign states and interfering in various fields such as politics, security, economy and culture in the state, and developing a law (draft) that suits the situation in the Union;
- (b) reviewing the text of the law (draft) based on recommendations from the relevant ministries/organisations and the Ministry of Legal Affairs, and if necessary, preparing and adding information including the name of the



law (draft);

- (c) submitting the law (draft) approved by the law drafting committee to the meeting of the Legal Advisory Committee of the Ministry of Home Affairs, and acting in accordance with recommendations and instructions and obtaining approval;
 - (d) submitting the law (draft) approved by the Legal Advisory Committee of the Ministry of Home Affairs to the Union Minister's Office of the Ministry of Home Affairs in accordance with the procedure for promulgation;
 - (e) cooperating with the relevant ministries for the approval of the law (draft).
3. Ministry of Home Affairs Notification No. 178/2023 dated 24 March 2023 is repealed by this notification.

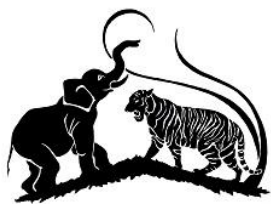
Lieutenant General Yar Pyae
Union Minister
Ministry of Home Affairs
Government of the Republic of the Union
of Myanmar

[Published in the Myanmar Gazette dated 19 July 2024.]

5. Number of "principal activities" of companies limited to 5

Since the [Myanmar Companies Law](#) came into force on 1 August 2018, companies are not required to show specific objectives in their constitution, and no specific objectives are notified to the Directorate of Investment and Company Administration ("DICA") when applying for the registration of the company.

However, companies must inform DICA of their "principal activities" as part of their annual return. The [annual return form](#) lists 99 standard activities, and so far, companies could select out of this list as many activities as they wanted.



On 30 July 2024, DICA published on its website a notice that limits to 5 the number of activities that companies may select in their annual return. We do not know the reason for this limit. There would be no impact on the validity of contracts and other acts if a company engaged in activities that are not listed in its annual return.

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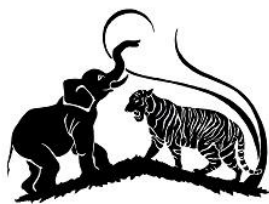
Notice to companies

1. The Directorate of Investment and Company Administration has implemented an electronic registration system (Myanmar Companies Online - MyCo) since 1 August 2018 so that the public may establish and register companies and business associations 24 hours a day.
2. As companies can be easily registered in the electronic registration system, the Registrar monitors through Myanmar Companies Online - MyCo the systems that electronically monitor compliance by companies, automatic warning systems, and notices of errors and omissions and actions taken.
3. All companies incorporated and registered according to the Myanmar Companies Law (2017) shall submit to the Registrar an annual report (Annual Return-AR) containing detailed descriptions of the company within 2 months from the date of incorporation and at least once every year thereafter.
4. Therefore, please be notified that when submitting the annual return (AR), not more than 5 types of activities that the company will focus on may be chosen from among the activities listed in the annual return (AR) form, and the directives from the relevant ministries shall be strictly followed.

Directorate of Investment and Company Administration

6. Seminar invitation: Criminal procedure in Myanmar

For a variety of reasons, we have seen a sharp increase in enquiries about criminal law over the last months and would like to take this opportunity to offer a seminar on criminal procedure in Myanmar to anybody interested.



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Proposed agenda:

- From police complaint to trial, step by step
- Summons cases and warrant cases
- When and how the police may make an arrest
- Pre-trial detention
- Access to lawyers at the pre-trial and trial stages
- When and how bail may be obtained
- When and how the police may interview witnesses and request the production of documents
- When and how the police may enter premises and conduct searches
- Managing cases in the countryside
- Unlawful Associations Act and Counter-Terrorism Law

Date and time	Thursday, 22 nd August 2024, 2:30pm - 4:00pm
Place	Rose Garden Hotel, 171 Upper Pansodan Road, Yangon
Speaker	Sebastian Pawlita
Language	English
Participation fee	MMK 25,000 per person, payable in cash at the reception desk
Registration	Please register by sending an e-mail to info@lincolnmyanmar.com , stating the name of your organisation and the names of the participants.
Suggesting a topic	If you wish us to discuss a particular topic at the seminar, please do not hesitate to include this in your registration e-mail; we will be happy to amend the agenda.

We hope that you have found this information useful.

Sebastian Pawlita
Managing Director



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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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