

# LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

NEWSLETTER 169 - 30 August 2024

Dear Readers,

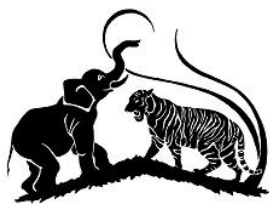
Welcome to a new edition of our newsletter.

## 1. Electricity price increase

On 30 August 2024, the Ministry of Electricity under the State Administrative Council (“SAC”) announced a significant increase of electricity prices as follows with effect from 1 September 2024 for those users who are connected to the national grid. Electricity prices were last increased on 1 July 2019.

Sr.	Type of electricity user	Electricity rates		
		kWh range	MMK (old)	MMK (new)
(a)	<b>Household use type</b> [Power for home and household use, one-time payment (household use), non-commercial buildings for religion and faith]	1-30	35	50
		31-50	50	
		51-75	70	100
		76-100	90	
		101-150	110	150
		151-200	120	
201 and more	125	300		
(b)	<b>Non-household use type</b> [Industrial businesses, commercial businesses, one-time payment, temporary use, streetlights, government departments and organisations, state-owned industrial businesses, state-owned enterprises, river water projects, municipal departments/businesses, foreign embassies, international organisations]	1-500	125	250
		501-5,000	135	
		5,001-10,000	145	400
		10,001-20,000	155	
		20,001-50,000	165	500
		50,001-100,000	175	
100,001 and more	180			

CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED



Republic of the Union of Myanmar  
Ministry of Electric Power  
1386, 11<sup>th</sup> Waning Day of Wagaung  
30 August 2024  
Notice to the public  
Adjusting the electricity rates

1. As access to electricity is essential to promoting the development of social life and promoting economic development in the Union, the Ministry of Electric Power has carried out the upgrading, expansion, repair and maintenance of large power plants and power lines with domestic and foreign investments, and as annual production costs have increased, it is necessary to adjust the electricity rates to enable a more stable production and distribution of electricity to electricity users.
2. Therefore, the Ministry of Electric Power submitted to the Union Government the matter of adjusting the electricity rates, and with the agreement of Union Government meeting no. 5/2024 held on 5 July 2024, the electricity rates will be adjusted as follows:

Sr.	Type of electricity user	Electricity rates	
		Unit range	MMK
(a)	Household use type [Power for home use and household use, one-time payment (household use), non-commercial buildings for religion and faith]	1 - 50 units [ <i>i.e.</i> , <i>kWh</i> ]	50
		51 - 100 units	100
		101 - 200 units	150
		201 and more units	300
(b)	Non-household use type [Industrial businesses, commercial businesses, one-time payment, temporary use, streetlights, government departments and organisations, state-owned industrial businesses, state-owned enterprises, river water projects, municipal departments/businesss, foreign	1 - 5,000 units	250
		5,001 - 20,000 units	400
		20,001 and more units	500



embassies, international organisations]		
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3. The adjusted electricity rates will be in effect from 1 September 2024.

### 2. **Amendment to the Union Taxation Law 2024**

An amendment ([English translation](#)) of section 14 (i) Union Taxation Law 2024 decreed by the SAC on 28 August 2024 increases the commercial tax rate (i) for pure gold and gold bullions from 0% to 3% and (ii) for jewellery made from gold from 1% to 3%.

### 3. **Regional industrial zone committees established in all Regions and States**

Myanmar Gazette editions dated 26 July, 2 August and 9 August 2024 reported the establishment on 27 June 2024 of regional industrial zone committees in all 14 Regions and States and the Union Territory.

### 4. **Change of the definition of “young child” requires action by manufacturers, importers and distributors of formulated food for infants and young children**

The Myanmar Gazette dated 16 August 2024 reported that the Food and Drug Authority under the SAC with Notification 5/2024 dated 10 July 2024 amended the 2014 [Order on Marketing Formulated Foods for Infants and Young Children](#) as follows:

- A “young child” is now defined in para. 2 (b) as “a child from the age of 6 months to 3 years” (previously: “to 2 years”).
- “Infant” (para. 2 (a)) is still defined as a baby under 6 months of age.
- According to para. 8 (a), labels on formulated food that is not intended for infants and children under 3 years of age but resembles food that is must, among others, carry a warning that the product “is not for children under 3 years of age” (previously, “under 2 years of age”).

Following this amendment, the Department of Food and Drug Administration published [Directive 5/2024](#) on its website on 23 August 2024 according to which manufacturers, importers and distributors of formulated foods for infants and young children::



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- Must prepare and submit applications for new or renewed import recommendations (IR) in line with the Food and Drug Authority's new definition of "young child";
- may apply for an import health certificate (IHC) with an import recommendation (IR) issued prior to the amendment until 1 September 2025; and
- must by 1 March 2026 remove or recall from the market formulated food for infants and young children whose labelling does not comply with the new definition of "young child".

### 5. Establishment of food and drug supervisory committees

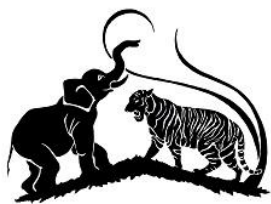
Likewise on 10 July 2024, the Food and Drug Authority under the SAC established (or rather, it appears, reorganised) with Notification 4/2024 food and drug supervisory committees in Regions/States, districts and townships with the following duties according to sections 32 (b), 5 (l) [National Drug Law](#):

#### (a) Region/State food and drug supervisory committees:

- Supervising food and drug businesses in the Region/State in line with the guidelines of the Food and Drug Authority or the department to which it delegated authority;
- supervising whether persons manufacturing, storing, distributing and selling food and drugs in the State/Region operate in accordance with the terms set by the Food and Drug Authority;
- supervising the issuance or rejection of issuance of drug sales licenses by the township food and drug supervisory committees;
- formulating guidelines for district and township food and drug supervisory committees if necessary.

#### (b) District food and drug supervisory committees

- supervising whether persons manufacturing, storing, distributing and selling food and drugs in the district operate in accordance with the terms set by the Food and Drug Authority;



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- supervising the issuance or rejection of issuance of drug sales licenses by the township food and drug supervisory committees;
- complying with the guidelines of the State/Region food and drug supervisory committee;
- formulating guidelines for township food and drug supervisory committees if necessary.

#### (c) Township food and drug supervisory committees

- supervising and conducting field inspections as to whether persons manufacturing, storing, distributing and selling food and drugs in the township operate in accordance with the terms set by the Food and Drug Authority;
- supervising compliance by persons manufacturing, importing, exporting, storing, transporting, distributing or selling food with the orders, directives and terms issued by relevant government departments or organisations or the Food and Drug Authority, and taking action against non-compliant businesses;
- taking legal action against persons found to have violated any prohibitions in sections 21, 22, 23, 24 and 25 [National Food Law](#) according to the findings of the food inspector;
- issuing or rejecting the issuance of a drug sales license upon a corresponding application;
- supervising compliance by persons manufacturing, importing, exporting, storing, distributing and selling drugs with orders, directives and terms issued according to the law, and reporting non-compliant businesses to the Food and Drug Authority or an organisation with delegated authority so that action may be taken;
- complying with the guidelines of the Region/State and district food and drug supervisory committees.

#### 6. Appointment of a tender committee for the purchase of equipment to register mobile phones

The Myanmar Gazette dated 2 August 2024 reported that the Ministry of Planning and Finance under the SAC established, on 3 July 2024, a tender committee chaired by the Deputy Minister



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of Transport and Communications for the purchase of “CEIR (central equipment identity register) and EIR (equipment identity register) systems and necessary hardware to prevent the illegal import of mobile phone handsets using information technology and to fully collect taxes.”

This seems to be the second attempt to purchase such equipment as the current tender committee replaces a previous one established in July 2023.

There is a system of compulsory registration of SIM cards in Myanmar, but so far, no registration system for handsets. If such a registration system is introduced, one might expect that it will not be possible anymore to connect to telecom networks with unregistered handsets and authorities under the SAC might also be able to use the system to track down specific phones.

We hope that you have found this information useful.

Sebastian Pawlita  
Managing Director

### 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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