



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

NEWSLETTER 172 - 7 September 2024

Dear Readers,

Welcome to a new edition of our newsletter.

1. Compulsory remittances by Myanmar migrant workers

The Ministry of Labour under the State Administration Council (“SAC”) officially cautioned Myanmar migrant workers with a notification dated 28 August 2024, made available on the ministry’s website on [5 September 2024](#), that they must remit 25% of their wages earned abroad to Myanmar through official channels, failing which they will be banned from working abroad for a limited period, not be issued an Overseas Worker Identification Card (OWIC) and be prevented from renewing their passport.

Workers must provide proof of the remittance to their overseas employment agency which must report monthly to the Ministry of Labour.

Banks apparently offer to exchange wages in foreign currency remitted from abroad with a rate of [USD 1 = approx. MMK 4,150](#).

The compulsory remittance policy has been in place since September 2023.

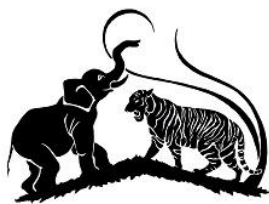
For Thailand, the minimum remittance appears to be [THB 6,000](#) for three months.

One News Myanmar reported on [6 September 2024](#) that the Ministry of Labour took administrative action (suspending dispatches, prohibition to post new job advertisements, imposition of fines) against 146 overseas employment agencies for failure to cause the workers dispatched by them to make the remittances.

In addition, the SAC amended the Union Taxation Law in September 2023 to oblige Myanmar migrant workers to pay Myanmar income tax on their wages earned abroad. Without tax payment, embassies [may not provide](#) consular services such as passport renewal.

CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

**Government of the Republic of the Union of Myanmar
Ministry of Labour**



Notification No. 108/2024

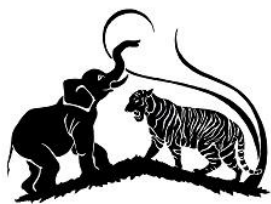
1386, 9th Waning Day of Wagaung

(28 August 2024)

The Ministry of Labour has issued this notification exercising the powers conferred by section 31 (b) Law Relating to Overseas Employment.

Prescribing that expatriate Myanmar migrant workers must remit the wages and salaries that they receive through official channels

1. Workers working abroad must remit at least 25% of the wages and salaries that they receive abroad to members of their family, either through the official banking system, or through the recipients of a remittance business license (RBL) issued by the Central Bank of Myanmar, or through international money transfer services linked to the banking system, *[and this remittance must be made]* to members of their family or to their bank account in the home country either every month for 25% of the wages and salaries or at least every 3 months for at least 25% of the accumulated salary for 3 months.
2. The documentary evidence of the family remittances officially made to members of their family according to the methods in para. 1 must be carefully kept, to show that the income is legal income that may be enjoyed as such.
3. Workers travelling abroad to work through licensed overseas employment agencies shall send without fail a copy of the evidence for the official remittance according to the methods in para. 1 to the agency in charge that dispatched them.
4. Licensed overseas employment agencies shall provide necessary assistance to the workers that they dispatched so that these may make the official money remittance with ease, correctly and speedily, and shall monthly submit without fail to the Ministry of Labour the documents sent by the workers monthly, together with the evidence.
5. Expatriate Myanmar migrant workers found to have failed to make family remittances to members of their family according to the methods in para. 1 shall be prohibited from travelling abroad to work for a limited period, not be issued an



Overseas Worker Identification Card (OWIC) and be disallowed from extending the validity of their passport, and furthermore shall be investigated and taken action against.

6. Expatriate Myanmar migrant workers may, when sending money to members of their family, not make family remittances through illegal hundi business operators and may only use official channels.

Myint Naung
Union Minister

Letter No. 49/A La/Hkwal (2) 2024 ()

Date: August 2024

[Distribution list omitted.]

2. Forex allocation for importing fuel and edible oil

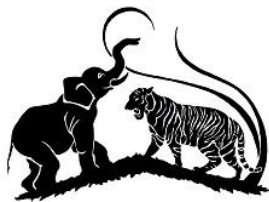
[This part has been edited following a review of the translation of the Central Bank's letter, reproduced below in the gray box.]

As there are not sufficient export earnings from compulsory conversion to cover foreign currency needs for the import of fuel and edible oil, the Central Bank under the SAC instructed private banks to sell 75% of the income from trade, CMP, minerals and natural resources for this purpose.

The Central Bank letter is silent on the procedure.

Export companies, except "exempted companies" and "MIC companies", must convert 25% of their revenue at the Central Bank rate of USD 1 = MMK 2,100 and so far had 30 days to use the remaining 75% for their own purposes as per a Central Bank notification dated [7 August 2024](#), failing which they had to sell these 75% to banks through the Central Bank's online trading platform at a rate of currently USD 1 = approx. MMK 3,500.

Now, it appears that the Central Bank requires the sale of these 75% as foreign currency needed for importing fuel and edible oil.



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

NEWSLETTER 172 - 7 September 2024

We understand that “exempted companies” and “MIC companies” in particular refers to MIC companies with foreign investment and companies in the Thilawa SEZ. Such companies may keep 100% of their foreign currency revenue as per a Central Bank letter dated [20 April 2022](#) and may sell excess foreign currency through the Central Bank’s online trading platform.

CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

**Republic of the Union of Myanmar
Central Bank of Myanmar**

Letter No. FE 1/02835

Date: 2 September 2024

To:

Banks licensed to deal in foreign exchange (AD Banks)

Subject: **Implementing the resolution of Foreign Exchange Supervisory Committee meeting no. 67/2024**

Reference: Resolution of the Foreign Exchange Supervisory Committee meeting no. 67/2024, para. 1 (ya)

7. Meeting no. 67/2024 of the Foreign Exchange Supervisory Committee resolved in para. 1 (ya): “75% of the trading income, 75% of the income from CMP activities, and 75% of the income from minerals and natural resources shall be sold as foreign currency needed for importing fuel and edible oil until sufficient export earnings are obtained from the remaining amount; exempted companies and MIC companies shall be excluded from verification.”
8. Therefore, AD Banks are notified to comply with the resolution of the Foreign Exchange Supervisory Committee.

On behalf of the Vice Governor
Nwe Ni Tun, Director General

Copies

Foreign Exchange Supervisory Committee



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

NEWSLETTER 172 - 7 September 2024

Ministry of Investment and Foreign Economic Relations

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:

Sebastian Pawlita, Managing Director
E-Mail: sebastian@lincolnmyanmar.com

Phone: +95-9-262546284 (English) or +95-9-428372669 (Myanmar)

Office address: No. 35 (D), Inya Myaing Road, Golden Valley, Bahan Township, Yangon Region

Web: www.lincolnmyanmar.com