

Dear Readers,

Welcome to a new edition of our newsletter.

1. National Service Rules issued

On 23 January 2025, the Ministry of Defence under the State Administration Council (“SAC”) issued National Service Rules (the “Rules” - an [English translation](#) with all forms is provided on our homepage), the by-laws implementing the [National Service Law](#) (the “Law”) that the SAC activated on 2 February 2024.

Already in September 2024, the Ministry of Defence published an explanation of the (official) drafting process on its [website](#) which does not seem to be fundamentally different from the Rules.

We have summarised below features of the Rules that we think might interest our readers, in particular references to employers, potential travel restrictions, and the official drafting process.

(a) Duties of employers

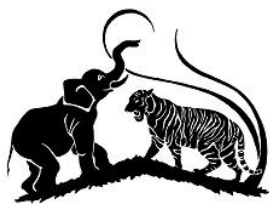
(aa) Payment of wages

The Rules provide that when “a worker serves as a national serviceperson, the worker’s employer shall pay the wages for workers according to the laws, rules, notifications, orders, directives, and procedures prescribed by the relevant ministry.”

The only law that we are aware of that refers to wages payable to a national serviceperson is section 3 (c) [Payment of Wages Law](#) which provides that employers are obliged to pay “60 days of wages as a special right” if the worker has to interrupt employment because he was drafted. Otherwise, we are not aware of any laws that would oblige employers to pay wages while a worker is away for national service.

(bb) Duty to re-employ

Furthermore, the Rules provide that when “a worker who has completed his or her national service time reports back to his or her original employer, the Central Body shall coordinate with the Ministry of Labour so that the employer can reappoint the worker to his or her original position or to a similar position if a reappointment to the original position is difficult.”



We understand that a “team for the re-employment of national servicepersons” was already established on [25 February 2024](#).

An employer failing to re-employ an employee who completed his national service time risks imprisonment for up to 3 years (section 23 (f) of the Law).

(b) Travel restrictions

The Rules do not contain all-encompassing travel restrictions.

However, applicants for exemption, time reduction or deferment may not travel abroad before their application has been granted. Furthermore, persons who underwent registration and medical examination and received a drafting order to present themselves to the barracks may only travel abroad with permission from the Central Body. The Rules state that the Central Body must send a list of these persons to relevant ministries and organisations.

(c) Administrative structure

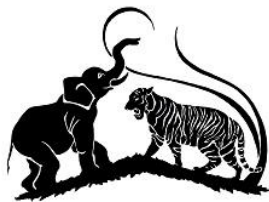
According to the Rules, the drafting process is overseen and implemented by the Central Body for Drafting National Servicepersons (the “**Central Body**”, already mentioned in the paragraphs above) which is to set up a hierarchical structure underneath it at the Region/State, district and township levels. The Central Body and the subordinated drafting bodies were already set up in February 2024.

(d) The drafting process

The official drafting process is divided into four components: The (i) compilation of lists of eligible persons, (ii) summons for registration, (iii) summons for medical examination, and (iv) drafting order for service.

(aa) Compilation of lists

The Township Bodies must set up “listing teams” that are to collaborate with the Ward or Village Tract Administrators to do a field census (at least annually, we understand) of the citizens living in the respective ward or village tract who reached military age by 31 December in the preceding year, taking (so it appears from the Rules) the census results from the 2014 and 2024 nationwide censuses as reference.



(bb) Summons for registration

The Township Body must then serve “summons to register” to the persons on these lists. Summoned persons are required to report to the place and at the time indicated in the summons notice and fill in their details in form 3-A, whereupon they will be given a registration certificate. The Rules provide as follows for cases of absence:

- If a summoned person fails to report, the Township Body shall visit the absent person’s family and investigate. A member of the absent person’s family must report to present solid evidence showing the reason for which the summoned person is absent or where he or she is located, and to fill in the registration form on the absent person’s behalf (form 3-B).
- Any family member failing to report for the absent person shall be deemed to have violated a provision in the National Service Law that provides for imprisonment of up to 3 years for “failure to report”.

The Township Body then must send the lists of those who registered through some of the hierarchy to the Central Body. The lists distinguish between those who have no reason for exemption or deferment and those who might have, but an official application for exemption or deferment by the person concerned may (so it seems from the Rules) not be made at this stage yet but only after medical examination.

(cc) Summons for medical examination

According to the Rules, the Central Body must review the lists of registered persons, determine the number of persons to be summoned for medical examination, and send this information to the Township Body. The Township Body must then summon for medical examination the number of persons determined according to the directive of the Central Body.

From our reading of the Rules, the results of the medical examination are reviewed by the Tatmadaw’s Office of the Directorate of Medical Services and thereafter sent through the hierarchy to the Central Body.

Applications for exemption, reduction of time or deferment may be made to the Township Body after the results of the medical examination are known. These applications are sent through the hierarchy and ultimately granted or rejected by the Central Body.



(dd) Drafting order for service

From our reading of the Rules, we understand that the Central Body must select from among those who are medically fit and not approved for exemption or deferment the persons who are “to be drafted” and send this list to the Township Body, upon which the Township Body must summon them to present themselves “at the barracks” (our expression).

However, the Township Body seems to have some discretion, as the Rules also provide:

- The Township Body shall select volunteers with priority.
- Shall, if the number of volunteers does not match the numbers needed, select draftees by drawing lots or by a method determined by the Central Body.
- Shall, if there is more than one person eligible for national service in one family, draft the remaining persons in turn after one person has served.

The selected persons shall sign an enlistment contract as national servicepersons using Defence Services form Ye-55 on the date on which they are accepted. (Form Ye-55 is not provided in the Rules, at least not on mlis.gov.mm.)

(e) Contents of the national service

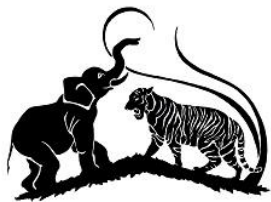
The Rules are elaborate on the benefits that national servicepersons can expect (rules 39-48) but offer few details on what they are expected to do.

According to rules 55 and 56:

- The Office of the Chief of Armed Forces Training shall handle matters related to the training of national servicepersons who have been accepted and enrolled.
- The Office of the Adjutant General shall handle matters related to the assignment of national servicepersons who have completed their training time to units and departments with the approval of the Office of the Commander-in-Chief (Army).

(f) Exemptions, deferments, reduction of time

The Rules do not specify criteria for exemptions, deferments or time reduction. However, according to the Law and publicly available sources, the criteria are as follows:



(aa) Exemptions

- Clerics
- Married women (including divorced women with children)
- Persons with a permanent disability in any limb
- Persons determined by an Defence Services Medical Examination Board to be permanently unfit for national service
- Persons exempted according to an order issued by the Central Body for Drafting National Servicepersons

(bb) Deferments

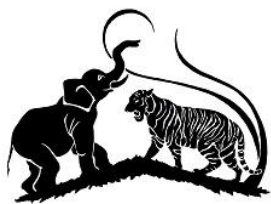
- Persons who received an endorsement from the relevant Defence Services Medical Examination Board that their health is at the moment not of sufficient standard for military service
- Civil servants
- Students
- Persons who take care of their parents who have no one else to take care of them
- Persons receiving treatment to quit drugs
- Persons serving prison terms

(cc) Reduction of time

- Children of long-serving civil servants, etc.

2. **Taxes on imports and exports to be paid again in MMK at the “Central Bank reference rate”**

With effect from 1 January 2025, the Customs Department started calculating the MMK tax base for customs duty, specific goods tax, commercial tax and advance income tax using an exchange rate that was based on the Central Bank’s market trading rate (USD 1 = approx. MMK 3,592) instead of the Central Bank’s reference rate (USD 1 = MMK 2,100), thereby increasing the MMK price of imported goods.



Starting from 25 January 2025, the Customs Department reverted back to the Central Bank's reference rate (USD 1 = MMK 2,100).

CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

Government of the Republic of the Union of Myanmar

Ministry of Planning and Finance

Notification No. 8/2025

1386, 11th Waning Day of Pyatho

(24 January 2025)

1. Exercising the powers conferred by section 204 (b) Sea Customs Act, the Ministry of Planning and Finance hereby issues this notification.
2. The Ministry of Planning and Finance, through Notification No. 90/2024 dated 27-12-2024, announced that the Customs Department would assess and collect taxes on imported and exported goods at the Weekly Exchange Rate, which was based on the Market Trading Rate published daily by the Central Bank of Myanmar.
3. Now, taxes on the import and export of goods will be assessed and collected using the Weekly Exchange Rate, which is based on the Reference Rate published daily by the Central Bank of Myanmar.
4. Ministry of Planning and Finance Notification No. 90/2024 dated 27-12-2024 is repealed by this notification.
5. This notification shall take effect from 25 January 2025.

Win Shein
Union Minister

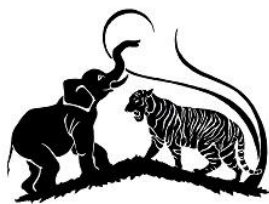
Letter No. Sa Ba/Finance-2/2/277 (473/2025)

Date: 24 January 2025

Copies: *[Omitted.]*

3. Labour law seminar

Download seminar invitation [as PDF](#)



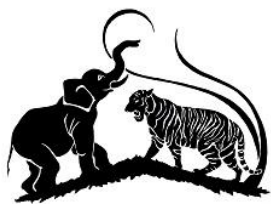
LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

NEWSLETTER 187 - 27 January 2025

We reviewed a number of internal employment manuals for NGOs and INGOs recently and found that we always had the same comments. As we think that these issues are of general interest, we will hold a labour seminar with the following topics. The seminar is open to anyone, not just to NGOs and INGOs.

- The difficult ways for employees to take action against unfair labour practices - how risky is it for employers not to comply with labour laws?
- Financial consequences if fixed-term contracts are not renewed
- Length and extension of the probationary period
- Difference between overtime work and work on a weekly rest day or public holiday
- Compensation for overtime work and work on a weekly rest day or public holiday with time off instead of money
- The limited number of disciplinary sanctions in Myanmar: Dismissal for ordinary violations, dismissal for serious violations, fines
- Providing for deductions from the salary in labour contracts and employment manuals
- No mandatory retirement age for employees in private businesses and organisations
- How to handle the withdrawal of employees due to a worsening security situation
- How to include terms and conditions in the labour contract or employment manual that seem to be sensible, but are not provided for in Myanmar's labour laws?
- Other topics

Date and time	Thursday, 20 th February 2025, 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.



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

NEWSLETTER 187 - 27 January 2025

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

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