

Issues and Requests Relating to Foreign Trade and Investment - Myanmar

Category	No	Issue	Issue Details	Requests	References
1 Restrictions on Entry of Foreign Capitals	(1)	<b>Restricted Foreign Capital Entry into Export-Import / Domestic Distribution</b>	<p>- Government of Myanmar (GOM) continues even to this date its <u>prohibition of Foreign Capital Entry (FCE) into import/distribution business in an enterprise with even one single percent (1%) of foreign capital. (Myanmar's accession to AEC is due in 2015).</u></p> <p><u>While FCE is liberalised under foreign investment law, competent ministries and agencies continue to refuse issuing its licences/ approvals.</u></p> <p>- Foreign trade business is effectively closed to foreign funded enterprises (FFE)s, so that FFEs are unable to engage in free commercial activities.</p> <p>- GOM does not authorise establishment of <u>100% Foreign Owned International Trade Company.</u></p> <p><b>(Actions)</b></p> <p>- Foreign funded enterprises (FFE)s are not authorised to engage in international trading businesses. Since 2002, FFEs have been foreclosed from either filing company registration or issuance of business licence to this date. Likewise, since about August 2013, establishment of fully foreign owned distribution business has become no longer possible. It has become allowable only by formation of a joint venture company.</p> <p>- In August 2014, Myanmar Investment Commission issued Notification No.49 "Business Sectors Prohibited or Restricted to FFEs", which deleted the statement relative to retailing and wholesale businesses. Nevertheless, the restrictions remain and its practical implementation remains nebulous. It necessitates enquiries to Ministries and Agencies of Myanmar about its actual implementation.</p> <p><b>(Improvement)</b></p> <p>- On 7 August 2014, Japan-Myanmar Investment Agreement entered into force.</p> <p>- On 27 May 2015, Thilawa Special Economic Zone (Thilawa SEZ) Management Committee (TSMC) issued "Instruction 02/2015" on the <u>scope of the trading business and the standard for licencing, open for investors into Thilawa SEZ, enabling foreign funded enterprises to engage in trading business, including the wholesale distribution. However, 4-wheels and 2-wheels vehicles, alcoholic drinks, etc., the items restricted outside Thilawa SEZ, and other TSMC designated items are excluded from the scope of the eligible products for import and domestic distribution.</u></p>	<p>- It is requested that GOM expedites <u>liberalisation of FCE entry into import/distribution business by wholly foreign funded enterprises, in the least gives the top priority to JVC.</u></p> <p>- It is requested that GOM takes step <u>to deregulate restrictions on FFEs.</u></p> <p>- It is requested that GOM discloses <u>the possibility for establishment of 100% foreign owned distribution company, and if yes, its timing.</u></p>	<p>- Foreign Investment Rules, Implementing the Foreign Investment Law (13 January 2013)</p> <p>- New Foreign Investment Law</p> <p>- More like Common Law, <u>without Written Authority</u></p>
	(2)	<b>Business Sectors Prohibited to FFEs</b>	<p>- GOM retains <u>business sectors closed to FFEs' entry.</u></p> <p><b>(Actions)</b></p> <p>- On 12 November 2012, Negotiation on the Bilateral Investment Agreement between Japan and Myanmar is under way.</p>	<p>- It is requested that GOM further <u>expands the scope of business sectors open to FFEs' participation.</u></p>	

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			<p>- New Foreign Investment Regulation defines the Types of Economic Activities (Sectors) for which foreign investment is restricted or prohibited. Myanmar Investment Commission (MIC) Notification of 31 January 2013 has identified the Economic Activities prohibited for foreign investment, as follows:</p> <p>(1) Business in which FFEs' entry is prohibited (21-Sectors),</p> <p>(2) FFEs' entry is permitted only for joint venture with Myanmar capital (42-Sectors),</p> <p>(3) Business in which Investment Permit is subject to Opinion Letters from the competent Ministries and Agencies, and governmental approvals (115-Sectors),</p> <p>(4) Business in which entry is possible only under certain specific terms and conditions (27-Sectors), and</p> <p>(5) Business in which environmental impact assessment (EIA) is required (34-Sectors). In addition, Ministry of National Planning and Economic Development (MNPED) Notification of the same date defines</p> <p>(6) Business Sectors authorised only to Myanmar enterprises (Individuals).</p> <p>- In August 2014, Myanmar Investment Commission (MIC) issued Notification No.49 "Business Sectors Prohibited or Restricted to FFEs:"(1) listing the substantially reduced scope of the restricted or prohibited business sectors (i) 11 sectors (prohibited), (ii) 30 sectors (joint venture with indigenous Myanmar nationals, (iii) 43-sectors (joint venture with indigenous Myanmar nationals, subject, however, to Competent Authority's approval, and (iv) 21-sectors under other terms and conditions.(2) expressly stipulating that business run by a fully foreign owned enterprise is possible in the business sectors excluded from the Notification. Business sectors in mining production, transport infrastructure, port, medical and tourism businesses are excluded from the business sectors which are only possible by formation of a joint venture.</p>		
	(3)	<u>Disallowed Establishment of Office at Construction Site</u>	<p>- GOM disallows on-site office establishment on a project-by-project basis, <u>contrary to the normal routine that begins from acceptance of specific project, tax number registration, and then construction.</u></p> <p><u>It necessitates comprehensive registration as representative office responsible for construction, and could cause confusion with the existing representative office, should one exist.</u></p>	<p>- It is requested that GOM allows <u>establishment of on-site office on a project-by-project basis.</u></p>	
	(4)	<u>Nebulous Application under Foreign Investment Act</u>	<p>- <u>The precise details remain unidentified concerning various application procedures, general flow of consultation, judgement basis, etc. It compels a substantial work-time for the applicant to complete the requisite responsive actions.</u></p> <p><b>(Actions)</b></p> <p>- <u>In the event of requiring a long term lease on land property for manufacturing business, or making investment under the investment incentive measures, or investing into business sectors that concern Myanmar Investment Commission (MIC) Notification No. 49/2014, the applicant must submit to MIC, application for investment licence for examination by MIC and other ministries and agencies in concern. In addition, applicant must file application to directorate of investment and company administration (DICA) for business licence and company registration. It presumably takes 4-6 months from preparation to the receipt of the licence. On the other hand, moving into the Thilawa SEZ has been facilitated and expedited by filing of application for investment licence, company registration, and business licence to one-stop-service center under the administrative commission of each SEZ.</u></p>	<p>- It is requested that GOM takes step <u>to simplify and clarify the examination institutes' procedures.</u></p>	<p>- More like Common Law, <u>without Written Authority</u></p>

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	(5)	<u>Disallowed Purchase of Fixed Property, Cars, etc. in Alien's Name</u>	- <u>It is disallowed to purchase cars, cellular phones, fixed property, etc. in alien's names.</u>	- <u>It is requested that GOM takes step to allow aliens' purchase of cars, cellular phones, fixed property, etc. in their own names.</u>	
4 Restrictions on Withdrawal Of Operations	(1)	Complex Procedures for Capital Reduction	- If a company is incorporated under the Foreign Investment Act, Article 55 of Myanmar Companies Act provides: "Subject to the provisions stipulated in the Annex to Article of Association and to the confirmation by the Court, a company limited by shares, if so authorized by its articles, may by special resolution reduce its share capital in any way..." It will probably take a long time and much work to obtain the Court's confirmation. (Due to the inadequate financial system and in the absence of assurance that the bank borrowing is readily available, at the outset of its operation, foreign investors have no alternative but to invest funds in excess of the basic requirement. However, after passage of certain period, there is a high possibility for capital reduction, the procedures of which take much work.)	It is requested that GOM takes steps to: -- remove the provisions relative to the Court Confirmation, or -- expedite the Court's Confirmation Process.	
8 Investment Recipient Organization	(1)	<u>Dispersed Windows for Investment</u>	- <u>Windows for investment spread over plural ministries and agencies.</u>	- <u>It is requested that GOM makes available one stop service on Investment.</u>	
9 Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Nebulous Export/Import Licence System	- <u>GOM requires import licence registration, model by model, upon export/import of finished goods, raw materials and parts.</u> - <u>Import licences are required on export (import into Myanmar) of electric wires, cables and accessories, individually, for parts and finished products.</u>  <b>(Actions)</b> - Before applying for export/import customs clearance, an exporter/importer must first obtain export/import licence with 3-months validity by payment of the licence fees commensurate with the CIF value of the goods. Normally, Directorate of Trade under Ministry of Commerce is empowered to issue export/import licence, while, in case of the Border Trade, Department of Border Trade has the authority to issue export/import licence. Export/import licence, previously handed out only in Naypyidaw where Ministry of Commerce locates. However, since 7 October 2011, it has become obtainable at Yangon branch of Ministry of Commerce, limited only to the export/import relative to consignment processing, cutting, making and packaging (CMP) of materials and finished products, as well as export only of certain agricultural produce such as beans and rice.	- <u>It is requested that GOM repeals the import licence requirement.</u> - <u>It is requested that GOM either repeals import licence requirement or reviews items subject to import licence.</u>	Ministry of Commerce Notification No. 72 - <u>Some improvements by removal of 1,928 items from export/ import licences requirements in February-September 2013</u>

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			<p>To file application for import licence, first, it is necessary to open foreign currency account at Myanmar Foreign Trade Bank (MFTB), the State Commercial Bank, or Myanmar Investment and Commercial Bank (MICB). In line with "Export first and import later system", GOM used to allow import only within the limit of foreign currency gained by export.</p> <p>Since April 2012, it has now become possible to import goods, if the applicant maintains foreign currency bank account, even without the underlining foreign currency deposit from export.</p> <p><b>(Improvement)</b></p> <ul style="list-style-type: none"> <li>- GOM alleviated the problems by release in February 2013 of Notification that abolishes export/import licence on 1,928 items, beginning September.</li> <li>- As of July 2014, the number of items not requiring export/import licences went up to 2,079 items in import and 983 items in export.</li> <li>- Documents required for acquisition of export/import licences have been substantially reduced.</li> </ul>		
	(2)	Overvaluation of Tax Base for Import Duty	<p>GOM establishes standard taxable value for each item on imported goods purportedly at the "real value", however, in effect, at a higher value than the real market price. More often than not, taxpayer must pay superfluous tax. This causes cost increase.</p> <p><b>(Actions)</b></p> <ul style="list-style-type: none"> <li>- Myanmar Customs Department and Japan International Cooperation Agency (JICA) have implemented project of capacity development for Customs management reform, modernization and technical cooperation in Myanmar.</li> </ul>	<p>It is requested that GOM takes steps to get the Amended Customs Act approved by the Assembly of the Union as soon as possible to enable its early implementation. (Being aware of the problems, GOM has already completed drafting the Bill for the Amended Customs Act, under the WTO Customs Valuation Agreement, which is based on the real price paid (based on Invoice Price)).</p>	Customs Act
	(3)	Departure of LFTV from Market Price	<p>Ministry of Commerce releases the List of Fair Tariff Value (LFTV) per item of imported goods to avoid importers' tax evasion. For acquisition of import licence, importers must prepare import licence application using LFTV, which frequently differs from the actual contract price. Moreover, bank's refusal to open the letters of credit above LFTV causes problems in settlement of account with the exporter.</p>	<p>It is requested that GOM issues import licence based on import declaration (at actual contract price).</p>	
	(4)	<b>Delayed Duty Free Import Procedures for ODA related Materials and Equipment</b>	<p><u>On import of materials and equipment under ODA projects on application for tax exemption, it takes the applicant's own coordination among the ministries and agencies in concern to assure the duty free treatment.</u> Moreover, numerous procedural delays occur at the end of the customs service hierarchy.</p>	<p>It is requested that GOM ensures <u>closer communication among ministries and agencies to assure duty free entries without fail.</u></p>	

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	(5)	<u>Import Licence restrictions on FFEs</u>	- <u>Import licence being unavailable, foreign funded enterprises (FFE) have no alternative but to organise the flow of commerce via the local Myanmar enterprises, without the ability to set the sales prices.</u>  <u>(Actions)</u> - <u>Excepting the case where an FFE holds the Myanmar Investment Commission (MIC) licence, GOM does not issue import licence to foreign funded enterprises. However, since the promulgation of Instruction No.02/2015 of 27May 2015 on "the scope of trading activities" permitted for investors in the Thilawa special economic zone, it has become possible for FFEs to engage in trading business, including the wholesale distribution in the Thilawa SEZ. FFEs entering Thilawa SEZ with the trading licence may import products (or semi-finished products) into Myanmar. It is hoped that one day, import licence acquisition becomes no longer necessary.</u>	- <u>It is requested that MOC deregulates import licence restrictions.</u>	- <u>Ministry of Commerce Notification No.16</u>
	(6)	<u>Tariff Rate on CBU and CKD</u>	- <u>There can be no merit in local production of two-wheeled vehicles, as the same 5% tariff rate applies to both CKD and CBU.</u>	- <u>It is requested that GOM devises an incentive that clearly identifies the merit of local production in Myanmar.</u>	
	(7)	<u>Import Duty based on Standard Valuation Price</u>	- <u>GOM determines the customs duty not based on invoice price but on the standard valuation price, requiring adjustments with the prevailing market prices.</u>	- <u>It is requested that GOM takes step to:</u> -- <u>change to the tax levy scheme to invoice price,</u> -- <u>introduces flexible system for settlement of accounts, and</u> -- <u>secures duty free procedures of materials and equipment under ODA, and their expedited customs clearance.</u>	
12	Exchange Controls	(1) <u>Restricted External Remittance</u>	- <u>(Inward remittance) remittance of advance money is disallowed.</u>	- <u>It is requested that GOM authorises remittance of advance payment.</u>	
	(2) <u>Disallowed Export Licence under Deferred Payment</u>	- <u>(Deferred payment) export licence is available only by advance payment or payment by letters of credit.</u>	- <u>It is requested that GOM takes step to issue export licence even under the deferred payment terms.</u>		
	(3) <u>Restricted Borrowing of External Funds</u>	- <u>Where a Member Firm's Subsidiary (MFS) is in need of operational funds, and seeks borrowing from the (overseas) member firm, it is difficult and time consuming to obtain GOM's approval, jeopardising continuation of MFS business in Myanmar. The basis of GOM approval is not clearly identified.</u> - <u>External borrowing has come to require approvals of both MIC and Central Bank of Myanmar (CBM). It takes a lot of time for its acquisition from both.</u>	- <u>It is requested that GOM clarifies the standard for issuing licences.</u>		

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13 Finance	(1)	Cap on the Bank Deposit Withdrawal Amount in USD	- Cap on the bank deposit withdrawal amount is USD10,000 per withdrawal (no cap for MMK). Withdrawal in USD is possible only in a limited number of the bank outlets. In addition, due to the U.S. economic sanctions, no remittance from abroad is possible to the state banks (MICB, MFTB).  <b>(Actions)</b> - On 27 May 2015, CBM reduced the USD Cash Withdrawal Limit to USD5,000 per day (Going Amount USD10,000) and USD10,000 per week (Going amount USD 50,000).	- It is requested that GOJ takes steps to induce GOM to: -- deregulate restrictions on deposit withdrawal, increase in the number of bank outlets, and -- enables remittance to state banks in future.	
	(2)	<u>Restricted Loan Ratio on Capital Contribution</u>	- <u>Central Bank of Myanmar (CBM) directs limiting the loan ratio to less than 30% of the capital contribution. However, since this requirement is not written into regulation, divided views are heard in the investment administration. For the sake of expediting the application, the member firm had to hold down the loan ratio within 30% on its capital contribution.</u>	- It is requested that GOM clarifies if <u>the numerical guidance is its request or by regulation.</u>	- <u>Central Bank of Myanmar Letter No. MaBaKa/ Bank Si Sit/Gen(6/201) of 3 January 2014</u>
	(3)	<u>Prohibited Local Borrowing of Foreign Currencies</u>	- <u>Borrowing in foreign currency from the local financial institutions is disallowed in Myanmar.</u>  <b>(Actions)</b> - <u>On 28 May 2015, central bank of Myanmar circulated a letter directing all federal and local ministries and agencies to ensure thoroughly the use of Myanmar (Burma) Kyat currency in the domestic settlement of accounts in Myanmar.</u>	- It is requested that GOM takes step <u>to enable borrowing in foreign currency from the domestic financial institutions Myanmar. (Foreign banks opening of branch offices are desirable.)</u>	
14 Taxation Systems	(1)	Non-conclusion of Tax Treaty	- <u>Due to the absence of Japan Myanmar tax treaty the majority of Japan's investment into Myanmar goes through Singapore, while double taxation is a matter of concern on the staff for a long term business trip of less than 180-days.</u>	- It is requested that GOJ and GOM <u>ratify the tax treaty as soon as possible.</u>	- <u>SEZ Act</u>
	(2)	<u>Nebulous Taxation Systems</u>	- <u>Nebulous taxation calculation basis.</u>  - <u>Corporate taxation system does not reflect the actual financial status.</u>	- It is requested that GOM improves <u>transparency in tax amount calculation.</u> - It is requested that GOM corrects <u>discrimination in domestic vs. foreign.</u>	

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			<ul style="list-style-type: none"> <li>- <u>Nebulous basis of tax levy on personal income tax (especially as regards welfare expense).</u></li> <li>- <u>Vexatiously complex business tax scheme.</u></li> <li>- <u>Nebulous tax base of property tax scheme.</u></li> </ul>	<ul style="list-style-type: none"> <li>- <u>It is requested that GOM clearly identifies the exact taxable scope of income tax.</u></li> <li>- <u>It is requested that GOM shifts business tax to VAT with single tax rate.</u></li> <li>- <u>It is requested that GOM expressly states the tax base for the property tax.</u></li> </ul>	
	(3)	<u>Difficult Set-Off of Business Tax</u>	<ul style="list-style-type: none"> <li>- <u>Business tax of Myanmar resembling VAT in other countries prohibits offset between receipt and expenditure, so that in multi-layer subcontracting business, the tax levy snowballs into a substantial high cost.</u></li> <li>- <u>While GOM allows setoff in manufacturing and distribution businesses only as regards setoff against purchase business tax. However, only setoff practically allowed is against only import business tax so that it takes the form of sales tax, rather than VAT. In effect, it pushes up the expenses.</u></li> </ul>	<ul style="list-style-type: none"> <li>- <u>It is requested that GOM amends the current practice to allow setoff between receipt and payment.</u></li> <li>- <u>It is requested that GOM shifts its tax system into (internationally (accepted) value added tax</u></li> </ul>	<u>Business Tax Act</u>
	(4)	<u>Ambiguous Tax Consequences of Business Tax under ODA Free of Charge Project</u>	<ul style="list-style-type: none"> <li>- <u>According to "EN-GA", it is expressly stated: "Normally all domestic taxes are exempted on ODA free of charge projects." However, the treatment on business tax (BTX) is nebulous. Negotiation with GOM is underway for BTX exemption, together with the Myanmar customer, embassy of Japan in Yangong, and JICA. By right, the seller (i.e., subcontractor/supplier) is responsible to file tax returns and pay tax. However, it has been a customary trading practice to pass on the equivalent amount to purchaser so that the corresponding amount equals cost to purchaser.</u></li> </ul>	<ul style="list-style-type: none"> <li>- <u>It is requested that GOM expressly states exemption of business tax in the tendering phase. (Consequently, it is incumbent upon the consultant responsible for tendering to use its best efforts to resolve the issues over the tax consequences).</u></li> </ul>	
15	Price Controls	(1) <u>Foreigners Prices on Public Utilities</u>	<ul style="list-style-type: none"> <li>- <u>Foreigners Prices on Public Utilities (FPPU) are established.</u></li> </ul>	<ul style="list-style-type: none"> <li>- <u>It is requested that GOM repeals FPPU.</u></li> </ul>	
16	Employment	(1) <b>Delayed, Vexatiously Complex Visa Issuance Procedures</b>	<ul style="list-style-type: none"> <li>- <u>1) It takes much time to get the visa issued.</u></li> <li>- <u>2) Letters of recommendation required for visa acquisition take much time to obtain.</u></li> </ul>	<ul style="list-style-type: none"> <li>- <u>It is requested that GOM:</u> <ol style="list-style-type: none"> <li><u>1) cuts down the time required for visa issuance, and</u></li> <li><u>2) accepts residential certificate issued by the Japanese Embassy, obviating the need for letters of recommendation from Japanese Embassy, landlord of expatriates' residence, and local governmental offices.</u></li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>- <u>At "Myanmar-Japan Joint Initiative" step-by-step improvements have been achieved. It requires careful follow up from now on.</u></li> </ul>

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			<ul style="list-style-type: none"> <li>- <u>Entry visa is necessary upon entry.</u></li> <li>- <u>It takes much time and effort to obtain letter of recommendation (by the competent authority necessary for acquisition of Residence Permit and re-entry visa).</u></li> <li>- <u>Responsive action on visa issuance varies within the ministries and agencies.</u> <u>Clerical work necessary for visa acquisition is complex and time consuming.</u></li> </ul>	<ul style="list-style-type: none"> <li>- <u>It is requested that GOM repeals the entry visa requirement.</u></li> <li>- <u>It is requested that GOM obviates the need for the letter of recommendation.</u></li> <li>- <u>It is requested that GOM harmonises the rules and standards for visa issuance in the ministries and agencies.</u></li> <li>- <u>It is requested that GOM enhances efficiency and simplifies the standard for visa issuance.</u></li> </ul>	
	(2)	<u>Difficult Renewal of the accompanying Family Members of Expatriates</u>	<ul style="list-style-type: none"> <li>- <u>Renewal of visas for expatriates' family members cannot be made by Entry Visa.</u></li> </ul>	<ul style="list-style-type: none"> <li>- <u>It is requested that GOM streamlines the visa renewal procedures.</u></li> </ul>	
	(3)	<u>Vexatiously Complex Temporary Exit Procedures</u>	<ul style="list-style-type: none"> <li>- <u>Aliens residing in Naypyidaw must surrender Foreigner's Residence Certificate (FRC) upon temporary exit, provided, however, that another trip to Yangong is necessary for the sake of FRC retrieval, even if his/her entry/exit are both made at Naypyidaw. It is extremely inconvenient.</u></li> <li>- <u>Resident aliens must surrender FRC upon each temporary exit. Upon re-entry, FRC gets returned from the immigration office in Yangong in exchange for payment of USD6.00. It is bothersome and time consuming, and frustrates frequent exits and entries.</u></li> <li>- <u>GOM requires each alien's exiting Myanmar to surrender FRC at the at the airport immigration office, and upon return, must make another trip to the immigration office to get FRC back in exchange for payment of USD6.00 (or USD12.00 if the retrieval date exceeds 1-week) each time.</u></li> <li>- <u>Foreign Residence Certificate (FRC) printed on paper is unsuited to carry around in person. It must be surrendered at the immigration office upon each exit.</u></li> </ul>	<ul style="list-style-type: none"> <li>- <u>It is requested that GOM obviates the need for surrendering the original FRC, if not, makes its retrieval possible also at Naypyidaw.</u></li> <li>- <u>It is requested that GOM immediately discontinues this protocol.</u></li> <li>- <u>It is requested that GOM takes step to repeal FRC.</u></li> <li>- <u>It is requested that GOM improves employment of FRC.</u></li> </ul>	
	(4)	<u>Excessively Short FRC Validity</u>	<ul style="list-style-type: none"> <li>- <u>The authorised stay period under FRC scheme has been contracted much to the inconvenience of the FRC holders, 3-months for the 1st time, 6-months for the 2nd time, and a year for the 3rd time.</u></li> </ul>	<ul style="list-style-type: none"> <li>- <u>It is requested that GOM issues FRC valid for one-year from the first time for the sake of assuring stable status of the expatriates.</u></li> </ul>	



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			- <u>The authorised stay period under FRC scheme is for 3-months for the 1st time, 6-months for the 2nd, and a year for the 3rd time with re-entry visa.</u>	- <u>It is requested that GOM takes step to enable issuance of residence certificate with one year validity plus re-entry visa.</u>	
17 Implementation of Intellectual Property Rights ("IPRs")	(1)	<u>Trade Mark Registration Scheme</u>	- <u>As it stands, no trademark registration scheme exists in Myanmar. By way of common law, the trademark is first registered at the registration office, and then advertised in the newspaper. Trademark protection measures taken are inadequate.</u>	- <u>It is requested that GOM takes step, as soon as possible, to establish the trademark registration scheme.</u>	
	(2)	<u>Inadequate IPRs Scheme</u>	- <u>Legislation is inadequate for protection of intellectual property right.</u>	- <u>It is requested that GOM takes step to overhaul the IPRs legislation.</u>	
21 Restrictions on Land Ownership	(1)	<u>Inadequacy in Schemes relative to Land Ownership</u>	- <u>Essentially, the land ownership belongs to the state. In some cases where residents assert ownership to the land property or the border of the land property is the source of multiple problems to foreign funded enterprises (FFEs) investing into Myanmar. It takes much effort for FFEs to clear the problems surrounding the land ownership.</u>	- <u>It is requested that GOM takes step to expedite overhauling the land registration and drawing up the schematic architecture on the land property.</u>	
24 Indigested Legislation, Abrupt Changes	(1)	<u>Inadequate implementing regulation on the Scheme concerning SEZ</u>	- <u>In January 2014, new special economic zones law No. 1/2014 was promulgated provided, however, that official announcement of its implementing rules remains pending. More often than not, it so happens that the implementing rules and notices already established, nevertheless, remain unpublished.</u>	- <u>By right, implementing rules are due to publication within 90-days of the law promulgation date. It is requested that GOM takes step to release its implementing rules as soon as possible.</u> - <u>It is requested that GOM makes available English translation simultaneously with the promulgation of laws, notices, etc.</u>	
	(2)	<u>Delays in preparation of English Translation on Investment Procedural Documents</u>	- <u>Preparation lags behind on the English version of investment related documents.</u>	- <u>It is requested that GOM prepares English version of the related documents.</u>	

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26 Others	(1)	<b>Inadequate Power / Communication Infrastructure</b>	<p>- <u>Fragile infrastructure of electric power/communication infrastructure.</u></p> <p>- <u>Blackouts frequently occur. A member firm was forced to prepare connecting the high voltage wire to its own plant.</u></p>	<p>- <u>It is requested that GOM takes step to:</u></p> <p>-- <u>assure planned stable electric power supply, and</u></p> <p>-- <u>overhauls communication trunk network.</u></p> <p>- <u>It is requested that GOM takes step to:</u></p> <p>-- <u>overhauls power generation infrastructure, and</u></p> <p>-- <u>provides incentive measures on connecting high voltage line at user's cost.</u></p>	
	<b>(Actions)</b>				
	- In March 2014, Assembly of the Union approved the raise in the electricity tariff, segmentalised into business and individual home usage.				
	(2)	<b>Inadequate Transportation Infrastructure</b>	<p>- (Roads) <u>Due to heavy traffic congestion, it takes much time for delivery, due to poor overhaul of public roads, few traffic lights, poor driving manners, few pedestrians overpasses, etc.</u></p> <p>- <u>Heavy traffic congestions, poor driving manners, etc.</u></p>	<p>- <u>It is requested that GOM takes step to:</u></p> <p>-- <u>overhauls infrastructure.</u></p> <p>-- <u>improves manners in traffic.</u></p> <p>- <u>It is requested that GOM tightens the traffic control.</u></p>	
	(3)	<b>Appreciation of Office Rental Charges and Hotel Accommodation Fees</b>	<p>- <u>Absolute shortage of housing and hike in expatriates' rental housing fees time after time.</u></p>	<p>- <u>It is requested that GOM takes step to:</u></p> <p>-- <u>construct large scale housing property by captivating on unused land property.</u></p> <p>-- <u>introduce the ceiling price system.</u></p>	
<b>(Actions)</b>					
<p>- Transfer of Immoveable Property Restriction Act 1987 strictly prohibits foreigners and foreign funded enterprises from owning land in Myanmar. While Notification No.39 [2011] has enabled use of private enterprise's owned land property by lease, the rapid advancement in democratization under the new Administration has invited rush of entries by foreign funded enterprises, and has pushed up the land rental/lease fees.</p> <p>- <u>In January 2016, condominium act passed the Myanmar union parliament. It enables alien's ownership of certain degree of condominium in the development areas in Naypyidaw union territory, and Yangon and Mandalay regions.</u></p>					

	Category	No	Issue	Issue Details	Requests	References
		(4)	<u>Infrastructure Overhauls in Thilawa SEZ Vicinity</u>	<p>- <u>While overhaul of infrastructure in the vicinity of Thilawa SEZ is under consideration by Yen loan, focused public investment in other area is also necessary, such as a bridge over Bago River. On the other hand, projects under ODA are not on schedule, due to the delays in negotiation after the successful bidding, and in completion of the subsequent preparation of the requisite formalities.</u></p> <p><b>(Actions)</b></p> <p>- <u>On 30 January 2015, GOJ agreed to participate, by way of fund/technical assistance, in the project for development of Dawei special economic zones (DSEZ), led by Thai and Myanmar governments.</u></p> <p>- <u>On 14 December 2015, three countries (Japanese, Myanmar and Thailand) signed the agreement for the formal start-up for the development of Dawei special economic zones (DSEZ).</u></p>	<p>- <u>Further accelerated preparation of infrastructure is required to have the infrastructure ready on power, communication, road, water, etc.</u></p>	