

## Pending Laws for discussion during the 7th Parliamentary Session

Further discussions on pending laws during this month's parliamentary session.

The parliamentary session reconvened for the seventh time on 25 June 2013, and are set to discuss, among others, the following long-awaited bills: (i) **Telecommunications Bill**, (ii) **Condominium Bill**, and (iii) **Multi-Modal Transportation Bill**. The **Intellectual Property Bill**, currently in its 11<sup>th</sup> draft, is undergoing further revisions by the relevant authorities and will not be ready for discussion during this seventh parliamentary session. To date, the Union Government has passed a total of (51) laws of which (15) were passed in 2011, (22) in 2012 and (14) in 2013 as of March.

## Myanmar's Minimum Wages Law in Effect

Myanmar's Minimum Wages Law (Law No. 7, dated 22 March 2013) has come into force on 4 June 2013 upon the issuance of the Notification No. 52/2013 from the President's Office.

The law lays out a broad framework for the fixing of minimum wages in various industries. The National Committee for Determining the Minimum Wages will be formed in order to set minimum wages for different sectors—including wages for workers working in special economic zones—which are intended to take effect upon consideration of the following factors: needs of employees and their families, current living standards, cost of living, state of the country's economy, well-being of the employee in relation to his/her profession, and other considerations presented by relevant ministries. Employers will be required to pay the minimum wage rate, which is to be determined by the aforementioned committee. Failure to pay the minimum wage to employees will result in a fine of up to 300,000 Kyats and/or imprisonment for a term of up to 6 months. Altering payroll books with deceitful purposes can be punishable with a fine of up to 500,000 Kyats and/or imprisonment of up to 1 year.

## The Appreciating Dollar and its Use in Myanmar Gov't Offices

Government offices adopt the use of Myanmar Kyats over US Dollars.

In relation to the use of foreign currency in Myanmar, the President's Office issued an order on 31 May 2013 mandating all government ministries (with the exception of the Ministry of Religious Affairs) to use Myanmar Kyats in their transactions. Earlier, in March 2013, the Company Registration Office ("CRO") under the Directorate of Investment and Company Administration ("DICA") switched from receiving the company registration fees in US Dollars to Myanmar Kyats.

The value of the US Dollar continues to rise in the recent months and this, we believe, is prompted by a number factors including (i) increasing volumes of imports into Myanmar and relaxing import procedures; (ii) withdrawal of Foreign Exchange Certificate ("FEC") from circulation in the local market; (iii) decrease in tourism spending dollars during this off-peak season and (iv) the global trend of appreciating US Dollar. The good news is for the Myanmar exporters, whose goods may become more price-competitive in the global market because of the depreciation of the Myanmar Kyat.



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