

Corruption Elimination Law Amended

An amendment to the 2013 Corruption Elimination Law was passed on 23 July 2014 and aims for a more effective anti-corruption regime in Myanmar.

Myanmar's recently enacted Corruption Elimination Law (“**Anti-Corruption Law**”) was amended on 23 July 2014 and provides for two main changes to the existing Anti-Corruption Law: the first replaces all references to “bribery” with “corruption” and the second upgrades the status of the members of the Anti-Corruption Commission (the “**Commission**”) formed under the Anti-Corruption Law to the same level as Union Minister or Deputy Ministers. The amendment also clarifies that members of the various working committees and teams formed in accordance with the Anti-Corruption Law are considered as public servants. The Commission was formed in February of this year with the appointment of 15 retired government and military officials from various backgrounds. Despite the fact that the amendment replaces all references to “bribery” with “corruption,” the applicability of the original law remains unchanged.

Environmental Conservation Rules Enacted

The Ministry of Environmental Conservation and Forestry finally passed the Environmental Conservation Rules on 5 June 2014.

The Environmental Conservation Rules (the “**Rules**”) were published on the website of the Environmental Conservation Department and details the environmental policy and implementation framework of the 2012 Environmental Conservation Law. According to the Rules, the Ministry of Environmental Conservation and Forestry (the “**Ministry**”) with the approval of the Environmental Conservation Committee (the “**Committee**”) is authorized to prescribe: (a) the amount of liability owing from a person or entity causing environmental damage; and (b) the amounts of contribution to be made to the Environmental Management Funds by persons or entities engaged in environmental services and extraction of natural resources.

The Ministry is also authorized to specify: (a) the projects, businesses, services, or investments for which environmental impact assessments (“**EIA**”) must be conducted; and (b) the businesses, work sites, or factories that can potentially damage the environment for which prior permission from the Ministry must be sought. The second list must be approved by the Union Government and confirmed by the Committee. However, it is important to note that even if a project, business, service, or investment does not fall under those for which EIA must be conducted, the Ministry may still require an Initial Environmental Examination in order to determine whether an EIA is in fact necessary. Additionally, companies must seek the confirmation of the Ministry before appointing an EIA service provider.

Foreign Companies to be Gradually Allowed in the Trading Sectors

Foreign companies may be allowed in the once-restricted trading sectors by 2015.

Reports have been circulating in the Myanmar media that the Myanmar government is considering the removal of trading restrictions currently imposed upon foreign companies in Myanmar. These restrictions are to be lifted by the end of the year, although the Myanmar government has not officially made any comments as to the scope or timeline of such change in policy. It would appear, however, that such change in policy will not cover all trading restrictions, and will, instead, be considered on a sector-by-sector basis.

The change is part of the thrust of the Myanmar government to further promote and streamline foreign investment into the country, and is viewed as a component of the intended consolidation of the now separate investment laws covering Myanmar citizens, on the one hand, and foreigners, on the other. The consolidated investment laws are expected to create a level playing field for both local and foreign investors with fair and equal treatment paving the way to remove trading restrictions placed on foreign entities.