

Trading Restrictions Relaxed for Investments in the Thilawa Special Economic Zone

The Thilawa Special Economic Zone Management Committee issued regulations outlining permitted trading activities for investors operating in the Thilawa Special Economic Zone.

Departing from the general trading restriction applicable to foreigners doing business in Myanmar, foreign investors operating in the Thilawa Special Economic Zone (“TSEZ”) may now engage in limited trading activities according to Instruction No. 2/2015 issued by the TSEZ Management Committee on 27 May 2015 (the “**Instruction**”).

Under this Instruction, businesses in the promotion zone may engage in retail trading activities *inside* the TSEZ, as well as wholesale trading activities both inside and outside the TSEZ. Businesses in the free zone, on the other hand, are *not* allowed to engage in any retail trading activities, but may similarly engage in wholesale trading activities inside and outside of the TSEZ; provided, however, that the aggregate value of these wholesale trading activities will constitute no more than 25% of the total value of the free zone businesses’ annual sales. At the same time, and notwithstanding the ability of such businesses to engage in the foregoing trading activities, the TSEZ Management Committee in the Instruction has also defined a certain class of “Specified Products” which may not be sold, whether in retail or in wholesale. The Instruction does not yet provide a definitive list of these Specified Products, although it does already mention “4-wheel vehicles or motorcycles.”

In order to engage in these limited trading activities, the Instruction prescribes certain pre-qualifying requirements. Free zone and promotion zone businesses, for example, must construct or establish a warehouse for the goods to be sold under the Instruction, and in addition, promotion zone businesses are also required to satisfy a minimum investment of US\$2 million and adopt certain value-added activities (such as repacking and quality-control services) to supplement the production, manufacture or importation of goods designated for sale.

National Education Law Amended

An amendment to the National Education Law (2014) aims for less centralized regulation by the Ministry of Education and recognizes foreign-owned educational institutions.

An amendment to the National Education Law (2014) (“**Education Law**”) was passed on 25 June 2015 and features the recognition of international schools in Myanmar and the reorganization of the National Education Policy Commission (formerly known as “National Education Commission”), which is intended to have regulatory control over educational institutions in Myanmar (including international schools, training, technological and vocational schools and other established colleges and universities). Under the amendment, the National Education Policy Commission will be authorized to issue rules and policies for the regulation of educational institutions, as well as the power to sanction erring educational institutions.

While recognizing international schools, the amendment, being broadly drafted, does not provide for a definition of what would constitute such international school nor does it prescribe any particular registration or licensing requirement for the establishment or operation of such educational institution. It is expected, therefore, that such registration and licensing requirements will be issued by the National Education Policy Commission as part of its general regulatory authority.