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LEGAL LINE
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Proposed amendments to the Foreign Exchange Management Law seeks to strengthen the monitoring of foreign exchange flows in Myanmar

Regulatory oversight on foreign exchange flows tightens in the proposed amendments.

In a bid to address unregulated dealings with foreign exchange that has resulted in the volatility of the Myanmar Kyat, a proposed amendment to the Foreign Exchange Management Law of 2012 (the **"FEML"**) reinforces and modifies the existing provisions on foreign exchange transactions and introduces penalties for non-compliance. The proposed amendment covers the issues involving export earnings, offshore loans, capital payments on foreign investments undertaken by internal residents and the transfer of gold and other jewelry.

On the existing requirements on foreign currency export earnings already found in the Foreign Exchange Management Regulations of 2014 (the "**FEMR**"), the proposed amendment reiterates the obligation to deposit such export earnings at an authorized dealer bank within a prescribed period of time. Foreign currency loans contracted by Myanmar residents must also obtain the prior approval of the Central Bank of Myanmar (**"CBM"**), a requirement already set out in the FEMR. Customs regulations found in the FEMR on dealings with gold, foreign currency and jewelry are also reiterated in the proposed amendment, which confirms the need to obtain customs approval at the port of entry or exit for the import or export of gold and other jewelry, and foreign currency exceeding the amount US$10,000. Finally, the proposed amendment also seeks to regulate dividends earned by Myanmar residents from overseas investments by requiring that such dividends must be remitted into Myanmar only through authorized dealer banks (as opposed to, for example, more informal and thereby unregulated foreign exchange channels). Penalties range from imprisonment of up to one year or a fine or both for non-compliance on reporting export earnings, obtaining offshore loans and transacting capital payments on foreign investments, and imprisonment of up to three years or a fine or both for unlawful transfer of gold, foreign currency and other jewelry.

Draft of the Private Education Law expected to pave way for recognition of private international schools in Myanmar

A draft of the Private Education Law specifies the types of private schools and details the corresponding process for registration.

A draft of the Private Education Law was officially published for public consultation on 8 July 2015, and its passage is expected to provide a clearer regulatory framework for the establishment and operation of private schools, including international schools, in Myanmar.

The draft law recognizes eleven categories of private schools, including so-called "basic-education schools," "institutes of higher education," technical and vocational schools, institutes for distance education, private pre-schools and private kindergarten schools. These private schools may be established as a wholly Myanmar owned or a wholly foreign owned institution, or they may also be established through a joint venture between local and international parties. However, the draft law also limits wholly foreign owned private schools to so-called "institutes of higher education," thereby implying that other categories of private schools (including primary or secondary private schools and private pre-schools) will require a joint venture with a local party.

In all cases, and depending on the participation of foreigners, registration either through the Myanmar Citizens Investment Law or the Myanmar Foreign Investment Law is required, as well as the issuance of a private school registration certificate from the Administration Body, which, when granted, is valid for a renewable period of five years. The recommendation of the National Education Standard and Quality Assurance Assessment Committee is also required.

Registered private schools may open branches anywhere in Myanmar, provided that the regional requirements, as well as the applicable provisions of the National Education Law and the draft law are satisfied. Meanwhile, in the selection of curricula, private schools under the draft law are able to select a government-prescribed curriculum, a curriculum formulated by the private school but based on a government syllabus, or an international curriculum. Foreigners may be engaged as teachers in private schools under the draft law, but all teachers, including foreigners, are required to obtain a private school teacher registration certificate from the Administration Body.

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Ministry of Labor, Employment and Social Security sets the compensation rates for the termination of employment

The Ministry of Labor, Employment and Social Security prescribes termination payment rates available to employees separated from employment

The Ministry of Labor, Employment and Social Security, through Notification No. 84/2015 dated 3 July 2015, has prescribed a schedule of termination payment rates that may be expected by separated employees. These termination payment rates outlined below are based on the employee's last drawn salary (without overtime payment) and the employee's tenure with the employer.

Duration of Employment	Severance Payments
6 months-below 1 year	Half-month salary
1 year -below 2 year	One-month salary
2 years-below 3 year	One and half-month salary
3 years -below 4 year	Three-month salary
4 years -below 6 year	Four-month salary
6 years -below 8 year	Five-month salary
8 years-below 12 year	Six-month salary
12 years-below 20 year	Eight-month salary
20 years-below 25 year	Ten-month salary
25 years and above	Thirteen-month salary

The Employment and Skill Development Law (2013) generally requires termination payments from the employer in cases where the employment contract is terminated without the employee's fault.