

## Minimum Wage set at Kyats 3,600 (~US\$2.8) per day

*The National Minimum Wage Committee formally fixes minimum wage.*

Following various meetings and consultations among state and regional government authorities, employer groups and workers' organizations, the National Minimum Wage Committee formally issued Notification No. 2/2014 on 28 August 2015, which formally fixes the minimum wage in Myanmar at Kyats 3,600 per day (for an 8-hour working day), or Kyats 450.00 per hour. The prescribed minimum wage will take effect on 1 September 2015, and will apply to all employees, regardless of location or type of business, but the notification specifically exempts small businesses employing 15 workers or less and small-scale family businesses from its coverage.

## Adoption of New Myanmar Investment Law and updates to the Myanmar Companies Act remain elusive

*The proposed laws remain pending following the last adjournment of the Myanmar Parliament before the November elections.*

The Myanmar Parliament ended its last session ahead of the November elections without passing the new Myanmar Investment Law and amendments to the Myanmar Companies Act. The new Myanmar Investment Law, which combines the existing Foreign Investment Law and the Citizen's Investment Law, streamlines the process for investment approval and strengthens investor rights, while amendments to the Myanmar Companies Act propose to update the centuries-old legal regime for the registration and regulation of business entities in Myanmar. It is likely that discussion on the proposed laws will be postponed until the Myanmar Parliament – then with a composition that reflects the results of the November elections – reconvenes.

## Legal framework for the protection of intellectual property takes shape with the issuance of four draft IP laws

*Intellectual Property receives new focus as bills covering trademarks, industrial designs, patents, and copyright are drafted anew.*

The world is watching and focus on intellectual property is renewed as draft bills are updated anew and legislation moves closer to completing a well-needed update to Myanmar IP law. The changes, which cover the Trademarks Bill, Industrial Designs Bill, Patents Bill and Copyright bill, collectively represent a momentous shift in legal principles and, when passed, will update Myanmar IP law to one of the most current legal systems in Southeast Asia in terms of intellectual property.

These changes include, for example, a definitive shift from the largely customary and *ad-hoc* system of trademark registration under a first-to-market use principle, to a first-to-file system under the proposed Trademarks Bill. This upgrades trademark registration in Myanmar into a prosecutorial process that has long been the international standard, and prepares Myanmar to be the exciting new market for all the products and services offered from all over the world. Apart from trademarks, protection for creative works will also be aligned to modern and international standards as the Copyright Bill is enhanced to cover computer programs, electronic rights management, technological protections and other modern concepts which have since overtaken Myanmar's dated copyright laws. This may ultimately lead to a vibrant market for creative content such as on-demand media services, which is fast becoming the *de facto* way of consuming entertainment in the Information Age.

The proposed laws also seek to establish the Myanmar Intellectual Property Office (MIPO), which is envisioned to be the central regulatory agency to oversee the administration of the new IP laws. The MIPO's first order of business will likely be to attend to what is anticipated to be a wave of bullish, if not frantic, IP registrations, which would undoubtedly demonstrate that the last frontier is now open for new business.

Despite the feverish excitement however, there is an observable, if not significant, difference between earlier drafts, and the latest versions published in the State newspapers. This shows that Myanmar's new IP regime is still a work in progress. There is certainly a lot to watch out for. Brand owners would be well-advised to remain vigilant, rather than chose to simply wait for the new protections to eventually come. There is no question however that the time to prepare is now.

## Proposed criteria for listing in the Yangon Stock Exchange issued

*Minimum standards for listing on the Yangon Stock Exchange (YSX) were issued by Yangon Stock Exchange but listing companies subject to scrutiny during listing process.*

The listing criteria of the companies proposing to list on the YSX were issued by Yangon Stock Exchange last 14 August 2015 and broadly covers requirements relating to corporate existence, level of paid-up capital, shareholder composition and profit levels, as well as corporate governance and management compliance requirements, including corporate policies on auditing, tax and insider trading, and reporting.

The Yangon Stock Exchange clarified that the proposed criteria is meant only to provide general guidelines and minimum requirements, as they do not provide for definitive or stringent requirements that have been seen in the listing rules of other jurisdictions. For example, the proposed criteria only requires a minimum paid-up capital of 500 million kyats (approximately US\$450,000), a minimum of 100 shareholders, and proof that the company has a positive net income for at least two years prior to the listing application. Based on these requirements, any entity registered as a public company in Myanmar would be eligible to list.

The proposed criteria, while in some ways incomplete and inadequate, are nonetheless a positive development for prescribing certain corporate governance requirements that have not heretofore been strictly enforced. Among these include undertaking corporate risk assessments in the conduct of business, disclosure of corporate information, and the use of Myanmar auditing practices and rules. Boards of companies seeking to list are also prohibited from having directors who have been convicted of crimes or are otherwise “blacklisted” by any public or government organizations. Directors and managers are also prohibited from engaging in businesses that compete with those of the company seeking to list, thereby minimizing conflicts-of-interest in the conduct of business operations.

The YSX was originally scheduled to open in October 2015, but which opening date has since been pushed back to December 2015, to make way for the upcoming Myanmar elections in November 2015.