

# KELVIN CHIA YANGON

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**Kelvin Chia Yangon Ltd. (KCY)** has been in active operation in Myanmar since 1995, currently with offices in Yangon and Mandalay. KCY is the firm of choice for those seeking to navigate the fast-changing legal and regulatory landscape in Myanmar, where we have gained extensive experiences and expertise across all the fast-changing legal and regulatory landscape in Myanmar areas of commercial practice.

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## MIC ISSUES NOTIFICATION ON PROCEDURES ON ENDORSEMENT APPLICATIONS FOR STATE AND REGIONAL INVESTMENT COMMITTEES

The Myanmar Investment Commission (“MIC”) has issued specific procedures under Notification 25/2017 for the State or Regional Investment Committees in scrutinizing and processing investment and endorsement applications. In accordance with Notification 25/2017, the State or Regional Investment Committees are allowed to issue endorsements for investment proposals with the investment amount below US\$ 5 million, and proposals which does not fall under the categories stipulated in the Myanmar Investment Law as MIC level investments, namely investments that are capital intensive, use government land and building, have possible environmental impacts, are in sectors designated by the government and essential to the Union strategy. Such categories of investments still require the MIC approval.

Based on the notification 15/2017, the State or Regional Committees may accept or reject a submission of the investment proposal within 15 days, and are required to assess and decide on the proposal within 30 days. Upon deciding to grant the investment permit, the State or Regional Investment Committees are required to issue the endorsement within 10 days.

The State or Regional Investment Committees are also responsible for assessing the applications for land rights authorizations for applications with the investment amount below \$5 million, and issuing the relevant land rights authorizations for such investments. However, for applications with the investment amount above \$5 million that are submitted to the State or Regional Investment Committee, the State or Regional Investment Committees are required to forward its recommendations on such applications to the MIC for the approval of the MIC.

The relevant State or Regional Investment Committees are required to form investment supervision teams comprising of officials from the States or Regions' environmental conservation and natural resources ministry, labor, employment and immigration ministry, ministry of industry, regional office of the Directorate of Investment and Company Administration, and other governmental departments as determined by the chairman of the State or Regional Investment Committee. The investment supervision teams are required to conduct regular inspections as well as unscheduled inspections of investment projects with the Investment Permit or Endorsement, which are within the respective states or regions.

With regards to applications for tax incentives and exemptions submitted at the State or Regional Investment Committees, the State or Regional Investment Committees are required to assess if the proposed investment is to be conducted solely in the relevant state or region and the level of development of the location of the proposed investment, whether the type of investment is in the list of promoted investment sectors, whether the 80% of the projected income is from exports supporting documents if the applicant has applied for customs duties exemptions, and to forward the applications to the MIC for its approval. The Notification 25/2017's Section 34 also explicitly stated that the State or Regional Investment Committees do not have the authority to grant the tax incentives and exemptions. In this connection, MIC has confirmed that the investors are able to submit applications for tax incentives and exemptions may be submitted directly to the MIC instead of submitting them to the State or Regional Investment Committees.

The Notification 25/2017 also designated the state and regional offices of Directorate of Investment and Company Administration as the secretariat offices of the respective State or Regional Investment Committees.



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