

MCIT Calls for Public Consultation on Proposed Telecom Rules

The Ministry of Communications and Information Technology ("MCIT") released draft Rules implementing the Myanmar Telecommunications Law 2013 on 4 November 2013 and now seeks public comment as it develops a new legal regime for the telecommunications industry.

Available online through the [Ministry's website](#), the draft Rules are incorporated into a package of consultation documents that provides in depth information on the MCIT's understanding and interpretation of the provisions of the recently passed Telecommunications Law 2013. While not all topics relating to the Telecommunications Law 2013 have been covered in this particular call for consultation, the draft Rules address licensing mechanics, access and interconnection, spectrum allocation and competition within the telecommunications industry. In the consultation documents, the MCIT emphasizes its intent to balance strict adherence to the legal requirements of the Telecommunications Law 2013 with international best practices and consistency with the terms of the award for telecommunication licenses previously issued in June 2013.

Among the highlights of the draft Rules is the licensing framework that foresees three separate license categories. While there is no set timeline for finalization and issuance of the draft Rules, the period for comment is scheduled to close by Monday, 2 December 2013.

	Type of License	Permissible Provisions
NFS (I)	Network Facilities Service (Individual) License	<ul style="list-style-type: none"> • National and international telecommunication services • Construct, maintain and operate necessary passive and active infrastructure
NFS (C)	Network Facilities Service (Class) License	<ul style="list-style-type: none"> • Construction and deployment of passive infrastructure for use by NFS(I) licensees and private networks used solely for the self-provision of telecommunications services
NS	Network Service License	<ul style="list-style-type: none"> • Lease transmission capacity from NFS(I) licensees • No rights for construction, maintenance or operation of infrastructure
AS	Application Services License	<ul style="list-style-type: none"> • Provide services such as public payphones and internet service • Lease capacity from NFS(I) licensees. • No rights for construction, maintenance or operation of infrastructure

Table of Types of Licenses and Permissible Provisions as stated in the Public Consultation Document issued by the Ministry of Communications and Information Technology on 4 November 2013

Over 40 Bids Received for 30 Offshore Oil & Gas Blocks; MOGE Introduces New Terms for Operators

The 2013 Myanmar Offshore Blocks Tender closed on 15 November 2013 and new terms for operators have been issued by the Myanma Oil and Gas Enterprise ("MOGE") ahead of the expected tender awards in early 2014.

The 2013 Myanmar Offshore Blocks Tender for 30 offshore blocks including 19 deep-water blocks closed on 15 November 2013. Although 61 companies pre-qualified for the tender, only around 40 submitted final bids. It is unclear when the winners will be announced but industry observers expect a decision in early 2014.

This latest round of tenders brings modifications to the production-sharing agreements winning bidders are expected to sign with the MOGE. Tender winners, for example, will now be required to make 10% of the minimum expenditure commitment deposit during the exploration stage of the oil and gas project, as opposed to the prior practice of simply declaring the minimum investment amount in the past. The conditions for the grant of import tax and custom duty incentives for equipment to be imported for the project are also being modified for this tender round.

This latest offshore tender is significant as it marks the first time that an offshore tender has been held since the lifting of the US sanctions on trade and investment. Experts therefore anticipate that Myanmar's Oil and Gas market will continue to evolve as both the market and regulatory landscapes change towards a more open and competitive business environment.

Condominium Bill Officially Published

A draft of the long-awaited Condominium Law ("the Bill") was finally published on 10 November 2013 in several newspapers in Myanmar. The Bill details conditions for registration of Condominium units, the sale of units to foreigners and the mandatory formation of a Condominium Working Committee.

According to the Bill, the main regulatory authority for condominiums is the Department of Human Settlement and Housing Development ("**DHSHD**") under the Ministry of Construction ("**the Ministry**"). Regional committees such as Yangon, Mandalay and Nay Pyi Taw City Development Councils are also involved in regulatory implementation.

The Bill notably restricts land allowed for construction of condominiums to those that are registered with the Ministry as so called "collectively-owned land." Such land needs to have the following characteristics: first, it must be land that can be "utilized for housing development" under prevailing laws; and second, it must be land "for which ownership can be transferred." Land less than 1-acre will also need special permission from the Ministry for registration. In current form, the Bill, when passed, will allow current Myanmar owners to re-sell, exchange, give or renounce to foreigners a maximum of 40 percent of units from the sixth level and above of the condominium development.

The Bill also requires the formation of Working Committee for each condominium development. The Working Committee is envisioned as an overseer of the maintenance requirements of the collectively owned units in the development. This requirement will be funded by the collection of maintenance fees pursuant to rules and regulations issued by the DHSHD.

The Bill is expected to be discussed during the January 2014 parliamentary session and is anticipated to be passed shortly thereafter. Owing to a shortage of residential and commercial spaces in Yangon, the passage of the Bill, including its provision on the ownership rights of foreigners to condominium units as provided therein, are expected to further escalate the real estate prices in the city.