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Ministry of Commerce Amends List of Commodities Requiring Import License

On 9 November 2021, the Ministry of Commerce (“**MOC**”) issued Letter No. 18/2021 (“**Letter 18/2021**”), specifying the list of commodities requiring an Import License for importation into Myanmar. The Letter 18/2021 specifies in its annex that 3070 commodities related to electronics, foodstuff, cosmetics and consumer products, paper products and construction materials will be designated as commodities requiring Import License beginning from 1 January 2022. Such commodities would be in addition to the 3,931 commodities that were initially specified by Notification 68/2020 of the MOC to require an Import License prior to importation. The Letter 18/2021 also specifies that additional commodities requiring Import License for importation aside from those specified in the annex to the Letter 18/2021 will be further specified by the MOC in due time.

MOC Amends List of Commodity Groups Allowed for Wholesale/Retail Trading by Foreign-Owned and Joint Ventures Between Foreign and Citizen Investors

On 12 November 2021, the MOC issued an amendment to the list of commodities allowed for trading by Foreign-Owned and Joint-Ventures between foreign and citizen investors which was previously issued on 26 July 2018. The amended list of commodities contain 25 commodity groups allowed to be traded on wholesale and retail basis by Foreign-Owned and Joint-Ventures between foreign and citizen investors. The amended list of commodities added raw materials for food products as a sub-category in the category of foodstuffs and also added the category of materials used in industrial production and raw materials for industrial production to the list of commodity groups allowed to be traded by Foreign-Owned and Joint-Ventures between foreign and citizen investors.

The 25 commodity groups allowed for trading by Foreign-owned and Joint-Ventures between foreign and citizen investors under the amended commodity list is as follows:

No	Type of Commodities
1	Consumer Goods (Including clothes, watches, and cosmetics),
	Foodstuffs including the following:
a	<i>Agricultural products (except as prohibited elsewhere),</i>

2	b	<i>Marine products,</i>
	c	<i>Animal products,</i>
	d	<i>Ready-made goods,</i>
	e	<i>Non-alcoholic beverages,</i>
	f	<i>Domestically manufactured alcoholic beverages,</i>
	g	Raw materials for food production
3	Household goods (including lacquerware, glassware),	
4	Kitchenware,	
5	Pharmaceuticals, hospital equipment,	
6	Animal feeds and veterinary medicine,	
7	Stationeries,	
8	Furniture,	
9	Sports equipment,	
10	Telecommunication equipment (including phones & camera)	
11	Electronics,	
12	Construction materials and equipment,	
13	Electrical goods,	
14	Chemicals for industrial productions,	
15	Materials used in industrial production and raw materials for industrial production	
16	Seeds, agricultural inputs and equipment for use in agriculture,	
17	Agricultural machineries,	
18	Machines and related equipment,	
19	Bicycles,	
20	Motorcycles and related equipment,	
21	Motor vehicle spare parts and machinery spare parts,	
22	Toys,	
23	Home decoration materials (including flowers and plants),	
24	Souvenirs and hand-made goods,	
25	Works of art, musical instruments and related equipment, (not including antiques)	

Central Bank of Myanmar Issues Notification to Utilize Mobile Banking, Internet Banking and Bank Transfers for Large Payments, and to Implement Digital Payment System

On 3 November 2021, the Central Bank of Myanmar (“**CBM**”) issued Notification No. 43/2021 (“**Notification 43/2021**”) instructing the utilization of mobile banking, internet banking, card payment, cheque and payment orders, or account transfers on payments where the payment volume exceeds Kyats 20 Million. In accordance with Notification 43/2021, for purchases, sales and transfer of goods and purchases of services where the transaction value exceeds Kyats 20 Million, payment for such transactions are to be made through mobile banking, internet banking, card payment, cheque and payment orders, or account transfers, rather than by transfer of physical cash.

In relation to the Notification 43/2021, the CBM also issued a letter on 15 November 2021 (“**Instruction Letter**”), instructing banks to notify to the public of the restriction from Notification 43/2021. The Instruction Letter also



instructed banks to expand their digital payment platforms through coordinating with mobile financial service providers, to encourage the public to utilize the banking system, and to ensure smooth operations on transfers between accounts between each branches and between different banks in order to encourage public's trust in the digital payment system. The Instruction Letter also reminded banks to properly abide by the regulations and reporting requirements relating to anti-money laundering and countering financing of terror.

CBM Implements Threshold Range for Purchase, Sale and Exchange of Foreign Currency and Amends Period for Assessment of Receipt for Export Payments

The CBM issued Notification 18/2021 on 9 November 2021, instructing Authorized Foreign Exchange Dealer License holding banks, and Money Changer License holders to conduct the exchange, sale and purchase of foreign currency within +/-0.5% range from the CBM Reference Rate, reimposing a band range threshold that was previously removed by CBM's Notification No. 12/2021 that was issued on 10 September 2021.

The CBM had also issued Notification 46/2021 on 10 November 2021, amending the Section 35 of the Foreign Exchange Management Regulations on the period for assessment of the receipt of funds for exports by Authorised Foreign Exchange Dealer License Holders. While the Authorized Foreign Exchange Dealer License Holders were previously allowed a period of six months to assess whether the funds relating to payment for exporters have been received into the accounts of the exporters, such period is reduced to three months under Notificatoin 46/2021.

Directorate of Investment and Company Administration Issues Notification for Companies to Open Separate Corporate Account

The Directorate of Investment and Company Administration ("DICA") issued Notification 136/2021 on 22 November 2021, instructing companies to open a separate corporate bank account in the name of the registered company or organization. The Notification 136/2021 of DICA noted that previously, some companies and organizations formed under the Myanmar Companies Law used bank accounts which were opened under the names of their directors rather than opening a separate bank account under the registered company or organization's name. The Notification 136/2021 instructs that companies and organizations registered with DICA should open a bank account under the registered company or organization's name.

About Kelvin Chia Yangon (KCY)

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 Myanmar's fast-changing and complex regulatory landscape, a jurisdiction in which KCY has gained in-depth legal expertise from the numerous transactions it has handled.

Our main practice areas

Foreign Investments | Incorporation and Company Maintenance | General Corporate and Commercial | Due Diligence | Mergers and Acquisitions | Joint Ventures and Production Sharing Agreements | Investment Funds | Energy/Oil and Gas | Natural Resources/Mining | Banking | Project and Project Financing | Manufacturing | Education | Agriculture | Real Estate | Infrastructure | Construction | Telecommunications | Compliance / Regulatory | Licensing and Permits | Labour and Employment | Immigration | Taxation | Insurance | International Arbitration | Intellectual Property | Special Economic Zones

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