

Myanmar Investment Law (Draft)
(2016, Pyidaungsu Hluttaw Law No.)
Day, Month, 1378 M.E.
(Day, Month, 2016)

The Pyidaungsu Hluttaw hereby enacts this Law.

Chapter (1)
Title and Definition

1. This Law shall be called the Myanmar Investment Law.
2. The expressions contained in this Law shall have the meanings given hereunder:
 - (a) **Union** means the Republic of the Union of Myanmar.
 - (b) **President** means the President of the Republic of the Union of Myanmar.
 - (c) **Government** means government of the Republic of the Union of Myanmar.
 - (d) **Ministry** means the Ministry of Planning and Finance.
 - (e) **Commission** means the Myanmar Investment Commission formed under this Law.
 - (f) **Member** means any one of the members of the Myanmar Investment Commission, including the Chairman and the Vice-Chairman.
 - (g) **Commission Office** means the Directorate of Investment and Company Administration which is responsible for implementing the duties and responsibilities of the Myanmar Investment Commission.
 - (h) **Secretary** means the Secretary of the Myanmar Investment Commission who is responsible for carrying out the duties and responsibilities of the Commission Office.
 - (i) **Proposal** means the application, submitted together with the required contracts and documents, by the investor in order to obtain the Permit of the Commission for investments prescribed under section 35.
 - (j) **Permit** means the order in which the approval of the Commission relating to the Proposal for investment submitted by the investor is expressed.
 - (k) **Endorsement application** means the application that the investor submits in the stipulated form along with all necessary documents to obtain an Endorsement by the Commission in order to enjoy benefits relating to Chapter 14 on Rights to Use Land and exemptions and reliefs under Chapter 19, section 76, 78, and 79.
 - (l) **Endorsement** means the order in which the assent of the Commission relating to the Endorsement application submitted by the investor is expressed.
 - (m) **Citizen** includes associate citizen or naturalized citizen. This expression includes business organizations composed only with citizens.
 - (n) **Myanmar Citizen Investor** means a Citizen who invests within the Union. This expression includes Myanmar companies, branch offices, and other business organisations established and registered in accordance with the Myanmar Companies Act and any law amending or substituting the same.
 - (o) **Foreign investor** means a person who is not a Citizen. This expression includes foreign companies, branch offices and partnerships established in accordance with the Myanmar Companies Act and any law amending or substituting the same, and business organisations formed in accordance with the laws of any foreign country.

- (p) **Investor** means a Myanmar citizen investor, foreign investor, or business organization formed or registered with relevant laws investing in accordance with this Law within the territory of the Union.
- (q) **Investment** means any asset described under section 40 that an investor owns or controls in accordance with relevant laws.
- (r) **Direct investment** means an investment where the investor has the ability to have control or influence over, and operational management over, assets which are invested by the investor in the business in the Union in accordance with the law.
- (s) **Foreign investment** means a direct investment made by a foreign investor within the Union.
- (t) **Enterprise** means
 - a. an organization formed in accordance with laws legislated by the Union, including a company, fund, partnership, sole proprietorship, joint venture, association or similar organisation.
 - b. Branch office of said Enterprise formed in accordance with the laws.
- (u) **Freely Usable Currency** means currency which is capable of being transferred for international transactions defined under section 30 (f) of the International Monetary Fund-IMF Agreement and widely exchanged in financial markets, and which is used by one of the member countries of the International Monetary Fund.
- (v) **Exemption and relief** means the exemptions and reliefs from customs duty and other domestic taxes which the Commission may approve upon scrutinizing based on an investor's application in accordance with this Law, for investments for which the investor has obtained the a Permit or an Endorsement from the Commission.
- (w) **Measures** mean laws, regulations, rules, procedures, decisions and administrative operations or practices prescribed or enforced by governmental bodies, governmental organizations or non-government organizations given authority by governmental organizations.

Chapter (2)

Objective

3. The objectives of this Law are as follows:
 - (a) To develop businesses which do not cause harm to the natural environment and the society for the benefit of the Union and its citizens;
 - (b) To protect the investors and their investments;
 - (c) To create employment opportunities for the people;
 - (d) To develop human resources;
 - (e) To develop high functioning production, service, and commerce sectors.
 - (f) To develop technology and the industrial sector;
 - (g) To develop various professional fields including infrastructure across the Union;
 - (h) For citizens to be able to work alongside with the international community; and
 - (i) To cause to emerge businesses and investments that meet international standards.

Chapter (3)

Scope of the Law

4. This Law shall be applicable to all direct investments which are being carried out at the date of the enactment of this Law, or which will be carried out after the enactment of this Law, within the territory of the Union. However, this Law shall not be applicable to existing investment disputes or suspended cases, which have arisen before this Law comes into effect.

5. This Law shall be applicable to any existing Measures prescribed or maintained by government departments and government organizations. However, any Measures issued concerning matters provided for under Chapter (21) and (22) of this Law shall not be applicable to this Law although such implementations were previously approved.¹

Chapter (4)

Formation of the Commission

6. The Commission must be formed as below:
 - (a) A chairman, nominated from members of the Government by the President and appointed by the Government;
 - (b) A vice-chairman appointed by the Government;
 - (c) Suitable persons from Union Ministries, government departments, government organizations, experts from the private sector, professionals and suitable dignified persons, may be appointed as members by the Government; and
 - (d) A Secretary who is the principal of the Commission Office
7. The Union Government must form the Myanmar Investment Commission with at least nine members and the Commission shall have an odd number of members, including the Secretary, in accordance with the provisions under section 6.
8. Commission members who are not civil servants shall have the right to gratuity and allowances as determined by the Ministry.
9. The tenure of all Commission members, except the Secretary, is the same as the tenure of the elected Government. Being a civil servant, the Secretary must follow the Civil Servant Law.
10. The members of the Commission shall not serve for more than two consecutive tenures.
11. The principal of the Commission Office shall serve as the Secretary of the Commission and shall fulfill duties assigned by the Commission.
12. The Commission Chairman may separately assign any duty of the Commission to any staff of the Commission Office by issuing an assignment letter. In case of such assignment, the assigned person shall undertake only the duty described in the assignment letter. The letter may be repealed any time in writing.

Chapter (5)

Resignation, Dismissal from the Commission and Appointment for Vacancy

13. If the Commission Chairman desires to resign from his position voluntarily during his tenure, he may resign with the approval of the President by submitting a resignation letter to the Union Government.

¹ We were not able to comprehend this provision and as such the translation of this clause is done to the best of the translator's understanding and ability.

14. If a member of the Commission, except the Commission Chairman, desires to resign from his position voluntarily during his tenure, he may resign with the approval of the President by submitting a resignation letter to the Union Government via the Commission Chairman.
15. The Government may dismiss a member of the Commission in one of the following events:
 - (a) Health deficiency to the extent that the member is no longer able to continue to undertake his/her duties according to the diagnosis of the medical team stipulated by law;
 - (b) Imprisonment by a court due to a criminal offence;
 - (c) Being declared as insolvent by a court; or
 - (d) Failure to properly perform his/her duties.
16. The Union Government:
 - (a) Shall appoint a new member in accordance with the provisions of this Law if a vacancy arises among the Commission members due to resignation, dismissal, death, or any other reason; and
 - (b) If the vacant position is the position of the Commission Chairman, may temporarily appoint the Vice-Chairman or a member of the Commission who is deemed to be competent to carry out the duties of the Chairman and to be appropriate for the Chairman position, to carry out the functions of the Chairman position before appointing a new chairman.
17. The Commission members must serve their duties until new Commission members are appointed, except in the event of resignation or dismissal from their positions.
18. Notwithstanding the tenure under section 9, the tenure of the Chairman, the Vice-Chairman and the Commission members who are appointed for vacant positions under section 16 shall be for the remaining tenure of the respective Commission members who they substituted.
19. The Secretary is responsible for the Commission's day-to-day operations, and administration and management functions related to various matters of the Commission.
20. If a Commission member has a direct or indirect interest in a proposal submitted to the Commission, such interest must be expressly declared. Such declaration must be recorded in the meeting minutes of the Commission and such member shall not participate in any decision of the Commission concerning the proposal without receiving the authority to do so from the Chairman.
21. If a Commission member has a direct or indirect interest in the Endorsement submitted to the Commission, such interest must be expressly declared. Such declaration must be recorded in the meeting minutes of the Commission and such member shall not participate in any decision of the Commission concerning the Endorsement without receiving the authority to do so from the Chairman.

Chapter (6)

Duties and Rights of the Commission

22. The Commission has the right to freely exercise its rights in accordance with the provisions of this Law.
23. The duties of the Commission are as follows:
 - (a) Carrying out the investment promotion activities of the Union;

- (b) Acting as the department primarily responsible for coordinating with investors and those who are interested to invest;
- (c) Facilitating the investors and their investments;
- (d) Advising the Union Ministries, Region and State Governments in determining economic objectives and implementing the development of responsible and accountable businesses;
- (e) Issuing policy guidelines and recommendations for the personnel of the Commission Office;
- (f) Reporting the activities and functions of the Commission to the President and the Union Government from time to time;
- (g) Reporting the status of completion and progress of the business activities approved by the Commission annually to the Pyidaungsu Hluttaw via the Union Government;
- (h) Coordinating with the Region and State Governments, and allocating authority for investments that the Government may approve according to the type of business or the condition of natural resources or employment opportunities;
- (i) Submitting advice to the Union Government in order to facilitate and promote local and foreign investments;
- (j) Taking action in accordance with laws, procedures and regulations, if it comes to light that actions such as retaining in possession, conversion or concealing have been made in relation to natural resources or antiques;
- (k) Scrutinizing whether or not the investor carries out its investment business in compliance with regulations, rules, procedures, orders, notifications and directives imposed under this Law, and provisions contained in contracts, and if not, ensuring the investor abides with such matters, and taking action in accordance with relevant laws against businesses that do not abide with such matters;
- (l) Prescribing standards and procedures which may be permitted in relation to exemptions, reliefs and the four restricted sectors of investment, reviewing them, and reporting to the Union Government regarding the exemptions, reliefs and four restricted sectors of investment under section 49;
- (m) Performing duties assigned by the Union Government from time to time.

24. In implementing its functions, the powers of the Commission are as follows:

- (a) Issuing necessary notifications prescribing the sectors that are restricted in terms of investment;
- (b) Determining the types of Investments that are strategic for the Union, large capital investments, and the types of Investments that may affect the environment and local public;
- (c) When a Proposal is submitted to the Commission to carry out investments under section 36, issuing the Permit to the investor if it is determined that the Proposal is beneficial to the interests of the Union and not contrary to any existing law, and rejecting the Proposal, if the proposal does not meet such conditions;
- (d) When an investor submits an Endorsement application in the stipulated form for an investment that does not require a proposal to be submitted to the Commission and a Permit to be obtained, conducting the necessary scrutiny, and if the Endorsement application is not against any existing law, issuing the Endorsement to the investor;
- (e) Approving or rejecting after scrutiny when the investor applies for an extension or amendment of the term of the Permit or Endorsement;
- (f) Requesting, if necessary, the submission by the investor of facts or evidence relating to the investment;
- (g) Passing any necessary orders, including an order for the suspension of the investment, if sufficient evidence is found that the investor does not comply with Proposal, the Endorsement

- application, and attached evidence of contracts, which are submitted to the Commission to obtain Permit, or terms and conditions of Permit or Endorsement;
- (h) Scrutinizing and approving exemptions and reliefs when the investor applies for them in accordance with the provisions of this Law;
 - (i) Prescribing business activities which may receive tax exemptions or reliefs or both with the agreement of the Government;
 - (j) Requesting and obtaining assistance and information relevant to the duties of the Commission from government bodies, government organizations and other necessary organizations in order to perform the duties of the Commission in accordance with this Law;
 - (k) Undertaking necessary measures in order to successfully implement the stipulations of this Law;
 - (l) Allocating its powers to the Region and State Governments with the approval of the Union Government for the economic development of regions and states;
 - (m) Scrutinizing and approving appropriate construction or preparation periods depending on the type of investment;
 - (n) Scrutinizing and approving the temporary importation of machinery and equipment from abroad in accordance with temporary importation procedures issued by the Customs Department;
 - (o) Scrutinizing and approving if the investor applies for any amendment or extension of contracts or agreements;
 - (p) In the effective implementation of this Law, establishing and managing a system that can carry out activities such as systematically scrutinizing disputes, identifying the causes for disputes, responding, inquiring and settling the losses before matters reach to the stage of dispute resolution; and
 - (q) Training by coordinating with local and foreign experts and organizations, and sending officers to local and foreign training courses in order to enhance the capacity of officers from the Commission Office.
25. The Commission may prescribe and collect miscellaneous service fees including registration.
26. The Commission may, in carrying out its duties, form committees and bodies as necessary.
27. The Commission may, in implementing its duties, open branch offices of the Commission locally or overseas.

Chapter (7)

Convening the Meeting

28. Meetings shall be convened as follows:
- (a) Convening the Commission's regular meetings depending on Proposals received at least bimonthly, and convening special meetings if necessary; and
 - (b) Submitting reports on special activities of Commission members at the closest regular meeting, and obtaining approval for the special activities.
29. The Commission Chairman shall act as the chairman of the meetings. The Vice-Chairman shall act as the chairman of the meeting when the Chairman is not available.
30. A quorum for a Commission meeting shall be constituted by the attendance of more than fifty percent of the Commission members, including the Commission Chairman or the Vice-Chairman.

31. The Commission shall make decisions by the conformity of more than fifty percent of the Commission members who are present at a Commission meeting. Commission members who are not present at the Commission meeting shall not object, deny or amend any decision made by Commission members who were in attendance at the Commission meeting.
32. The Commission may invite experts from relevant departments and other organizations to any Commission meeting for matters that require professional expertise.
33. The Commission shall allow the investor and persons supporting the investor to attend and provide explanations and engage in discussions at Commission meetings.
34. Submitting reports on special activities of Commission members at the closest regular meeting, and obtaining approval for the special activities.

Chapter (8)

Submitting Proposal

35. Businesses that are strategic for the Union and are capital intensive investment projects and have large potential impact for the environment and the local community, and businesses which are designated by the government to require the submission of a proposal to the Commission, shall submit a proposal to the Commission and shall invest after receiving the Permit subject to the necessary scrutiny.
36. The investor shall submit a Proposal to the Commission to obtain a Permit under section 35 in accordance with the stipulations.

Chapter (9)

Endorsement Application Submission

37. The investor is not required to submit a Proposal to the Commission except where it concerns investments stipulated under section 35. However, in order to enjoy the Rights to Use Land under Chapter (12) and Exemptions and Reliefs under sections 76, 78, and 79, an Endorsement application must be submitted in the stipulated form to the Commission.
38. When submitting the Endorsement application, all approvals or licenses or permits or similar documents issued by the relevant organizations according to the type of business carried on by the investor, have to be attached.
39. The Commission may scrutinize the Endorsement application which is submitted under section 37 after receiving the same and accept the Endorsement application if it is complete, and request the same to be resubmitted after corrections are made if it is not complete, and reject the Proposal if it is not in accordance with laws, rules and regulations.

Chapter (10)

Forms of Investment

40. Investments which may be made includes:
 - (a) Business organization;

- (b) moveable property, immovable property and related property rights, cash, pledges, mortgages and liens, machinery, equipment, spare-parts, and related tools;
 - (c) shares, stocks, and debentures of a company;
 - (d) intellectual property rights in accordance with existing laws, including technical know-how, inventions, industrial designs, and trademarks;
 - (e) claims to money and to any performance under contract having a financial value;
 - (f) rights under contracts, including turnkey, construction, management, production or revenue-sharing contracts; and
 - (g) assignable rights granted by relevant laws or contract including the rights of exploration and extraction of natural resources;
41. Through the exercising of investment regulations, and in conformity with national policy objectives, the Commission shall define sectors to promote investment, and define businesses and sectors which are prohibited for investment.
42. The following investments shall be stipulated as businesses which are prohibited for investment:
- (a) businesses which may bring the hazardous or poisonous wastes into the Union;
 - (b) businesses which may bring technologies, medicines, and instruments which are still being tested abroad or which have not obtained relevant approvals for use, planting and cultivation;
 - (c) businesses which may affect the traditional culture and customs of the racial groups within the Union;
 - (d) businesses which may affect the public health
 - (e) businesses which may cause damage to the natural environment and ecosystem; and
 - (f) businesses which manufacture goods that are prohibited in accordance with existing laws.
43. The following investment sectors shall be stipulated as sectors which are restricted for investment:
- (a) Sectors where only the Union Government is allowed to undertake and where both domestic and foreign investments are prohibited;
 - (b) Sectors where only foreign investment is prohibited;
 - (c) Sectors where foreign investment is allowed only in joint venture with a citizen owned entity or a citizen of Myanmar; and
 - (d) Sectors where both domestic and foreign investment requires approval from relevant ministries.
44. With the approval from the Union Government, the Commission shall issue to the public notifications for investments which are included in the sectors restricted for investment under section 43.
45. The Commission may from time to time if necessary, after obtaining the approval of the Union Government, amend or remove businesses which are notified as restricted investments under section 43.
46. In reviewing and revising in accordance with section 45, the Commission shall discuss with responsible individuals from the private sector, government bodies, and government organizations in order to conform to international trade and investment agreements made by the Union Government
47. The Commission shall report and confirm to the Pyidaungsu Hluttaw through the Union Government whenever it prepares to issue Permit to investment businesses which may have a

significant effect on security conditions, economic condition, the environment, and social interest of the Union and its citizens.

Chapter (11)

Treatment of Investors

48. When dealing with the investors, the Union Government shall:
- (a) accord to foreign investors and direct investments made by foreign investors, treatment no less favorable than that accorded to Myanmar citizen investors with respect to the expansion, management, operation, and the sale or other disposition of direct investments which are subject to the provisions of this Law;
 - (b) accord, in like circumstances, to a country's investors and their direct investments, treatment no less favorable than that accorded to another country's investors and their direct investments with respect to establishment, acquisition, expansion, management, operation, and the sale or other disposition of direct investments; and
 - (c) not be regarded as having the responsibility to comply with the provision under sub-section (b), in granting benefits, preferences or privileges which may be granted to investors by virtue of the followings -
 - 1) Custom Union, Free Trade Zone, Economic Union and international agreements resulting in the creation of any Custom Union, Free Trade Zone and Economic Union; and
 - 2) Favorable treatments to be accorded to investors and their investments included in international agreements, bilateral or regional or international agreements, agreements or arrangements between regional countries, favorable treatments to investors and their investments included in agreements or programs with other countries or arrangements relating wholly or partially to taxation.
49. The Union Government guarantees fair and equitable treatment in respect of the following:
- (a) The right to obtain relevant information on any Measures or decision which has a significant effect on an investor and its direct investment; and
 - (b) The right to due process and the right to appeal on matters concerning an investor and its direct investments including but not limited to any changes to the terms and conditions under any license or Permit and Endorsement granted by the Union Government to the investor and its direct investment.
50. The provisions under this Chapter shall not affect the provisions under section 77.

Chapter (12)

Rights to Use Land

- 51.
- (a) An investor which receives authorization according to this Law has the right to obtain a long-term lease of land in accordance with relevant laws, either from private land-holders or from any government body or government organization in the case of state-owned land. Myanmar citizen investors may invest using land owned by them, in accordance with relevant laws.
 - (b) Foreign investor may lease land up to an initial period of 50 years commencing on the date of receipt of the approval from the Commission either from the Union Government or from government bodies or government organizations or from private land-holders starting on the day of receipt of the Permit from the Commission.

- (c) After the expiry of the term permitted under sub-section (b), a consecutive period of 10 years and a further consecutive period of 10 years extension to the initial period of lease may be obtained with the approval of the Commission.
- (d) The investor shall register the lease agreement at the Registrar Office of Deeds and Assurances in accordance with the Registration Act.
- (e) The Union Government may grant more favorable terms and conditions for the lease of land and the rights to use of land by Myanmar citizen investors.
- (f) The Commission may, for the purpose of the development of the entire Union, grant a longer period for the rights to lease land and the rights to use land for the purposes of this Law, to investors who invest in less economically developed and remote regions.

Chapter (13)

Employment of Staff and Workers

52. The investor shall:
- (a) appoint a qualified person of any citizenship in its business within the Union as senior manager, expert, and advisor in accordance with existing laws;
 - (b) arrange to provide capacity building programs in order to be able to appoint citizens to positions of senior manager, technical and operational expert, and advisors;
 - (c) appoint only citizens for the work which does not require skill;
 - (d) appoint skilled foreigners and foreign workers, technicians, and staff by executing an employment contract between employer and employee in accordance with the existing labor laws and regulations;
 - (e) extend entitlements and rights contained in existing labor laws and regulations including minimum wages and salary, leave, holiday, overtime fee, damages, workman's compensation, social welfare, and other insurance relating to workers by stipulating the rights and duties of employers and employees and other employment terms and conditions contained in the employment contract; and
 - (f) settle disputes arising amongst employers, amongst workers, between employers and workers, between workers and technicians or staff in accordance with relevant existing laws.

Chapter (14)

Expropriation of Investment by the Government

53. The Union Government guarantees not to impose any measures which effectively results in any expropriation or nationalization of any investment or property except under the following conditions:
- (a) for a public interest;
 - (b) in a non-discriminatory manner;
 - (c) upon payment of prompt, fair, adequate, and effective compensation; and
 - (d) in accordance with due process of law.
54. When determining a fair and adequate compensation, the amount to be considered shall be the market value at the time of expropriation and the amount shall be equivalent to the market value of the expropriated investment. However, determination of the compensation amount shall also be based on a fair consideration of public interest as well as the private investor's interests, and shall take into account the investment's present and past conditions, the reason for expropriation of the business or property, the fair market value of the investment, the purpose of expropriating the

business or property, the profits acquired by the investor during the term of investment, and also the duration of the investment.

55. Non-discriminatory Measures of general application which governments normally take for the purposes of regulating economic or social activity in their jurisdiction, including without limit the provisions enumerated in Chapter (21) and Chapter (22) are not precluded by this chapter.
56. If an investor asserts that a measure or series of measures undertaken under section 53 amounts to an indirect expropriation and to be in breach of the conditions under section 53, the Union Government shall conduct a case-by-case and fact-based inquiry that takes into consideration the following factors:
- (a) Whether the action creates an intentional adverse effect on the economic value of an investment;
 - (b) Whether the action breaches the Union Government's prior binding written commitment, contract, license, or other legal documents issued in favor of the investor; and
 - (c) Whether the government action, including the objective of such action, is proportionate to the public interest referred to in sub-section 53(a) above.

Chapter (15) **Transfer of Funds**

57. Foreign Investors are allowed to remit funds related to:
- (a) capital, subject to Central Bank of Myanmar capital account rules;
 - (b) profits, capital gains, dividends, royalties, copyright fees, license fees, technical assistance and management fees, shares and other current income in connection with any investment under this Law;
 - (c) proceeds from the total or partial sale or liquidation of an investment or property owned in connection with an investment;
 - (d) payments made under a contract, including a loan agreement;
 - (e) awards resulting from any settlement of investment disputes;
 - (f) compensation or other payments made pursuant to investment or expropriation or nationalization; and
 - (g) earnings and other remuneration of expatriate personnel legally employed in the Union.
58. Transferring or receiving of loans shall be in accordance with the financial rules and regulations and with the approval of the Central Bank of Myanmar.
59. Myanmar citizen investors are allowed to remit funds related to the following without delay:
- (a) royalties, license fees, technical assistance, management fees, which are payable to a foreign investor, and interest payments to any outside organization in connection with any Investment made under this Law;
 - (b) payments made including loan agreements and insurance claims; and
 - (c) payments resulting from awards, arbitration or any agreement on payment that the Myanmar citizen has to made to a foreign investor, including a settlement of any dispute.
60. Any transfer of funds shall be allowed only after all tax obligations relevant to the intended transfer amount have been met in accordance with stipulated tax laws.

61. After having paid the taxes by complying with tax obligations contained in the Income Tax Law, expatriate personnel with legal work permits shall be permitted to make remittances abroad without any further deduction, through banks with authorized foreign exchange dealer license established in the Union.
62. In respect of transfers made by foreign investors pursuant to the provisions under section 57, which are within the classification of capital accounts or current accounts under the Foreign Exchange Management Law, such transfers may be made through banks with authorized foreign exchange dealer license legally established in the Union, in freely usable currencies at the prevailing market rate of exchange.
63. The Union Government may prevent or delay transfer of funds affected by any of the following matters:
- (a) conditions needed to protect bankruptcy, insolvency, or the protection of the rights of creditors;
 - (b) condition transferred money from criminal or penal offences and the proceeds of crime;
 - (c) condition needed to support financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities;
 - (d) acting in accordance with orders or judgments in judicial or administrative Measures;
 - (e) taxation;
 - (f) social security, public retirement, or compulsory savings schemes; and
 - (g) severance entitlements of employees.
64. The Union Government shall allow the transfer from abroad of capital used by investors and for their investments within the Union, or for expenditures and of foreign loans, in accordance with existing laws.
65. In the event of serious balance-of-payments and/or external financial difficulties, the Union Government may adopt or maintain restrictions on payments or transfers related to investments which are consistent with the Foreign Exchange Management Law of 2012 and other international obligations.

Chapter (16)

Responsibilities of Investors

66. The Investor -
- (a) shall respect and comply with the customs, traditions and culture of the national races in the Union;
 - (b) shall establish or register a company or partnership or sole proprietorship under the existing laws of Myanmar in order to invest;
 - (c) shall abide by the rules and stipulations of special licenses, permits, and business operation certificates issued to them, including terms and conditions and tax obligations contained in the rules, procedures, notifications, orders and directives issued under laws of Myanmar and this Law;
 - (d) shall carry out in accordance with the stipulations if it is required by the nature of business or other need to obtain any license or permit from the relevant Union Ministries, government bodies and organizations, or to carry out registration;
 - (e) shall immediately inform the Commission if natural mineral resources or antique objects and treasure trove, which are not related to the permitted business and not included in original contracts, are found above and under the land on which the investor is entitled to lease or use,

- shall continue to carry out business on such land only if the Commission allows, and shall secure a substitute approval to relocate and carry out the business at a place which is selected and submitted by the investor if permission for the continuing conduct of the business is not obtained;
- (f) shall not make any significant alteration of topography or elevation of the land on which he is entitled to lease or has rights to use, without the approval of the Commission;
 - (g) shall in relation to the investment business, abide by existing Myanmar laws, rules, procedures and best standards practiced internationally so as not to cause damage, pollution, loss to the natural and social environment and not to cause damage to cultural heritage;
 - (h) shall prepare and keep proper records of books of account and annual financial statement, and necessary financial matters relating to the investments which are performed by permit in accordance with internationally recognized accounting standards; shall also prepare and keep proper records of books of account and annual financial statement, and necessary financial matters relating to the investments which are performed by endorsement in accordance with domestic recognized accounting standards;
 - (i) shall discontinue the business only after paying compensation to employees in accordance with relevant laws for any breach of employment contracts, closure of investment, sale and transfer of investment, discontinuation of investment, or reduction of workforce;
 - (j) shall pay wages and salaries in accordance with relevant laws, procedures and directives to employees during the period of closure when the investor temporarily shuts down the business for a concrete reason;
 - (k) shall pay compensation in accordance with laws to the relevant employee or his/her successor for injury, disability, disease and death due to his/her employment;
 - (l) shall administer foreign experts, supervisors and their families, who come to Myanmar to work, in such manner so that they will abide by existing laws, orders and directives, and the customs and traditions of Myanmar;
 - (m) shall respect and comply with existing labor laws;
 - (n) shall have the right to sue and be sued in accordance with laws;
 - (o) shall pay effective compensation for loss incurred, if the investor causes damage to the natural environment and causes socioeconomic losses, such as that caused by logging or extraction of natural resources, which are not related to the scope of the permitted investment, apart from carrying out the activities which are required to perform to conduct investment for which a Permit or an Endorsement has been granted.
 - (p) Shall take the permit or endorsement of the Commission before the investments which need to take prior permission by the environmental conservation law and the procedures of analysis of environmental impact; shall report the conditions of measure and necessary analysis of environmental and social impact to the Commission along the period in which the activities of the investments taking permit or endorsement of the Commission.
67. The Commission may administer the investments including continuing to conduct or suspension depending on the analysis under section 66(p).
68. The investors shall fulfill and comply with all responsibilities prescribed under section 66 from the date this Law comes into effect.
69. If the investor discontinues the business before the expiry of permitted period, the investor shall, in selling, re-exporting and managing all machineries, equipment, motor vehicles and all other articles imported in accordance with the Commission's approval from abroad with relevant tax exemption (or) relief (or) both, repay the tax exemption (or) relief (or) both that it enjoyed during importation.

70. After securing a Permit or an Endorsement from the Commission, the investor shall execute and sign necessary contracts with the relevant government body or government organization, and conduct its investments.
71. The permission of the Commission must be secured for any extension and amendment of the contracts mentioned in section 70.
72. In conducting its investment business, the investor must carry out health assessment, cultural heritage impact assessment, environmental impact assessment and social impact assessment relevant to its business sector in accordance with relevant laws.
73. All businesses which have secured a Permit or an Endorsement, must give notice to the Commission of any sub-lease, mortgage and transfer of its business that occur during the investment period.

Chapter (17)

Insurance

74. The investor shall obtain all types of insurance prescribing in rules at any insurance enterprise which is entitled to carry out insurance activities within the Union.

Chapter (18)

Exemptions and Reliefs

75. For the purpose of supporting the country's development by allowing investment in sectors which need to be developed, and for the proportionate development of Regions and States, the Commission shall scrutinize and may grant one or more tax exemption or relief if the investor applies for such exemption or relief.
76. With respect to the income tax exemption, the Commission will issue a notification with the approval of the Union Government to designate as Zone (1), the regions and states that are least-developed, and as Zone (2), the regions and states that are moderately developed, and as Zone (3), the regions and states that are adequately developed, and the following exemptions may be granted in these respective zones for investment businesses in those sectors approved by the Union Government in order to promote investments in such zones.
- (a) Income tax exemption may be granted to investment businesses in Zone (1) for a period of 7 consecutive years including the year of commencement of the business, investment businesses in Zone (2) for a period of 5 consecutive years including the year of commencement of the business, and investment businesses in Zone (3) for a period of 3 consecutive years including the year of commencement of the business.
 - (b) With the approval of the Union Government, the Commission may change the designation of the zones from time to time depending on the development of the respective Regions and States.
 - (c) Income tax exemptions shall be only granted for sectors which the Commission has specified under a notification as sectors for the promotion of investments.

77. Notwithstanding the provisions under Chapter (11) of Treatment of Investments, the Union Government may undertake subsidies, funding, capacity building and training to Myanmar citizen investors and citizen-owned small and medium-sized enterprises, and as a special condition. The Union Government may also allow more favorable exemptions and reliefs for the locations where citizen-owned businesses are operated or other economic activities.
78. In the event that the investor applies for the same, the Commission may scrutinize and grant the following exemptions from customs duties and other domestic taxes.
- (a) exemptions or reliefs from customs duties or other domestic taxes or both on machineries, instruments, machinery components, spare parts, construction materials not available locally, and materials used in the business, which are imported as they are actually required, during the construction period or during the preparatory period of the investment business;
 - (b) exemptions or reliefs from the customs duties or other domestic taxes or both on the importation of the raw materials and partially manufactured goods conducted by an export-oriented investment business for the purposes of the manufacture of products for export;
 - (c) depending on the amount of products which are exported, reimbursement of customs duties or other domestic taxes or both on imported raw materials and partially manufactured goods which are used to manufacture products for export; and
 - (d) if the volume of investment is increased with the approval of the Commission and the original investment business is expanded during the permitted period of investment, exemption or relief from the customs duty or other internal taxes or both on machineries, equipment, instruments, machinery components, spare parts, materials used in the business, and construction materials not available locally, which are imported as they are actually required for use in the business which is being expanded as such.
79. In the event that the investor applies for the same, the Commission may scrutinize and grant the following exemptions and relief as necessary.
- (a) Exemption or relief from income tax if the profit obtained from the investment business that has secured a Permit or Endorsement is reinvested in such investment business or in any similar type of investment business within one year.
 - (b) Right to deduct depreciation from profits for the purpose of income tax assessment, after computing such depreciation based on a depreciation rate which is less than the stipulated lifetime of the machinery, equipment, building or capital assets.
 - (c) Right to deduct expenses from assessable income, incurred for the research and development relating to the business which is actually required and carried out within the Union.
80. The foreign investors have to pay income tax on their income at the rates applicable to the citizens residing within the Union.
81. Apart from the aforementioned exemptions and reliefs under section 76, 78 and 79, other tax related matters shall be carried out in accordance with relevant tax laws.
82. The aforementioned exemptions and relief shall not be applicable to businesses operating in special economic zones.

Chapter (19)
Settlement of dispute

83. In effectually implementing this Law, the Commission shall establish and manage a mechanism to allow for claims and settlement of losses, which will allow the conduct of inquiries in order to resolve issues before they become legal disputes and to prevent the occurrence of disputes.
84. Before any investment dispute between the investor and the Union is brought to any court or arbitral tribunal, all parties involved in the dispute shall make appropriate attempts to settle the disputes amicably.
85. If investment disputes are not able to be settled amicably:
- (a) If the method of dispute resolution in the relevant agreement is not stated, investment disputes shall be settled in the court or arbitral tribunal in accordance with the laws of the Union.
 - (b) If the method of dispute resolution in the relevant agreement is stated, an investor shall follow in accordance with this method of dispute resolution.

Chapter (20)

Administrative Penalties

86. The Commission:
- (a) May impose one or more of the following administrative penalties against an investor which violates any of the rules, regulations, procedures, notifications, orders, directives or terms and conditions contained in the Permit:
 - 1) Censure;
 - 2) Temporary suspension of tax exemption and reliefs;
 - 3) Revocation of the Permit;
 - 4) Including the business in a blacklist for which no Permit shall be granted in the future.
 - (b) The Commission shall issue prior notice to the investor of its decision to impose administrative penalties before imposing administrative penalties under sub-section 86(a). The investor shall have the right to enquire by letter regarding the imposition of any administrative penalty on the investor.
 - (c) When an administrative penalty is imposed under sub-section 86(a), the reason for imposing such penalty shall be stated together with the decision.
87. The investor shall have the right to apply to Union Attorney General in accordance with the stipulations if the investor is not satisfied with any decision made to impose administrative penalties according to section 86.
88. If an investor fails to comply with or violates the provisions of section 66 he/she shall be he/she shall be prosecuted in accordance with this Law and other relevant existing laws if necessary.
89. An investor shall be prosecuted in accordance with the criminal procedure if there is sound evidence as to dishonestly submitting false information or concealment of information when submitting any proposal, accounts, evidence of contracts, financial and evidence of employment to the Commission, relevant Ministry, or any government body or organization.

90. If an investor fails to comply with or violate any prohibitions for investment in any business stipulated under section 42, he/she shall be prosecuted in accordance with this Law and other existing laws if necessary.

Chapter (21)

General Exemptions

91. Nothing in this Law shall be construed to prevent the Union Government from adopting or maintaining reasonable non-discriminatory Measures for prudent reasons, such as:-
- (a) requirement to protect citizen's morals or to maintain public interest;
 - (b) requirement to protect lifespan or health of human, animals, or plants;
 - (c) the protection of investors, depositors, financial market participants, policyholders, policy-claimants, or persons to whom a fiduciary duty is owed by a financial institution
 - (d) ensuring the safety, soundness, integrity or financial responsibility of financial institutions; and
 - (e) ensuring the integrity and stability of the Union's financial system.
 - (f) aiming to ensure fair and effective assessment or taxation relevant to investors;
 - (g) acts to protect of artistic, historical or ancient national treasures; and
 - (h) acts to maintain natural resources not to be damaged by domestic production and consumption.

Chapter (22)

Exemption for National Security

92. (a) Any provision under this Law shall not be deemed to prohibit the Union Government from performing necessary Measures due to the national security.
- (b) The provisions under this Law shall not prohibit any of the following actions deemed necessary for the Union Government to protect important security matters of the Union:
- 1) Measures carried out directly or indirectly to provide the military or any other security team with arms, ammunition and military equipment and tools.
 - 2) Measures undertaken as necessary due to the outbreak of war and other emergency circumstances in international relation.

Chapter (23)

Miscellaneous

93. If any provision of this Law is contrary to any matter provided for in the international treaties and agreements adopted by the Republic of the Union of Myanmar, the provisions contained in the international treaties and agreement shall be abided by for such contradictory provision.
94. After the enactment of this Law, and within the period before prescribing the necessary procedures, the rules issued under the Foreign Investment Law (Pyidaungsu Hluttaw Law No. 21/2012) and the Myanmar Citizens Investment Law (Pyidaungsu Hluttaw Law No. 18/2013) may continue to be observed if it is not contrary with this Law.
95. Any investment approval granted by the Commission in accordance with the Foreign Investment Law (The State Law and Order Restoration Council Law No. 10/1988) or the Foreign Investment

Law (2012, Pyidaungsu Hluttaw Law No. 21) or the Myanmar Citizens Investment Law (2013, Pyidaungsu Hluttaw Law No.18) shall continue to be effective till the prescribed expiration of the investment.

96. Notwithstanding anything contained in any other law, matters relating to any provision covered by this Law shall be carried out in accordance with this Law.
97. No suit, criminal or civil proceeding shall lie against any member of the Commission, any member of a committee or body, or any civil servant, for any act done in good faith which has credible evidence in accordance with the powers conferred under this Law.
98. In performing duties under this Law, the members of the Commission shall carry out such duties in accordance with anti-corruption law.
99. The members of the Commission shall not use from using its acquired information for any other purposes other than implementing the objectives under this Law.
100. Any decision made by the Commission pursuant to the powers conferred by this Law shall be final and conclusive except for any appeal in relation to the imposition of administrative penalties under section 87.
101. In order for the Commission to carry out the provisions under this Law, the Ministry of Planning and Finance or any of its organizations shall bear the expenditures of the Commission in accordance with rules and regulations of finance.
102. In implementing this Law:
 - (a) The Ministry may, with the approval of the Union Government, issue rules, regulations, procedures, orders, notifications and directives.
 - (b) The Commission may issue orders, notifications, directives and procedures.
103. The Foreign Investment Law (2012 Pyidaungsu Hluttaw Law No. 21) and the Myanmar Citizens Investment Law (2013, Pyidaungsu Hluttaw Law No. 18) are hereby repealed by this Law. Although the Foreign Investment Law is repealed, the Myanmar Investment Commission formed by that law shall have the authority to perform its functions until all its duties and responsibilities have been delegated to the Commission that will succeed under this Law.

I hereby sign under the Constitution of the Republic of the Union of Myanmar.

(sd) Htin Kyaw
President
The Republic of the Union of Myanmar