

THE UNION OF MYANMAR  
THE STATE LAW AND ORDER RESTORATION COUNCIL

PROMOTION OF COTTAGE INDUSTRIES LAW

(10<sup>th</sup> October 1991)

**THE STATE LAW AND ORDER RESTORATION COUNCIL**

**( PROMOTION OF COTTAGE INDUSTRIES LAW**

**No.13/91 )**

**The 2<sup>nd</sup> Waxing Day of Thadinkyut, 1353 M.E**

**(10<sup>th</sup> October 1991)**

The State Law and Order Restoration Council hereby enacts the following Law:-

**Chapter I**

**Title and Definition**

1. This Law shall be called the Promotion of Cottage Industries Law.
2. The following expressions contained in this Law shall have the meanings given hereunder-
  - ( a ) Cottage Industry means a small scale production, repair, maintenance and service industry by members of a family or by engaging workers or collectively. This expression also covers small scale industries which use power which is less than three horsepower or manpower not exceeding nine workers and handicrafts in which the number of workers is not limited;
  - ( b ) Entrepreneur means a person who has been granted registration to conduct a cottage industry under this Law. This expression also includes the heir, legal representative and succeeding lawful organization;
  - ( c ) Power means electrical power, power generated by mechanical device or by any other means;
  - ( d ) Ministry means the Ministry of Cooperative;
  - ( e ) Minister means the Minister of the Ministry of Cooperative.
  - ( f ) Department means the Cottage Industries department;
  - ( g ) Director General means the Director General of the Department.

## **Chapter II**

### **Basic Principles**

3. The promotion of cottage industries shall be carried out in accordance with the following basic principles:-
- (a) to produce industrial finished goods by the utilization of local natural resources as the main raw material;
  - (b) to produce industrial finished goods by the utilization of by-products, waste products and raw materials which have been purchased from State-owned mills, factories, production enterprises, trading enterprises, Government Departments and economic organizations;
  - (c) to prevent the obsolescence of the Myanmar traditional handicrafts and to develop the same;
  - (d) to enhance means of livelihood and to increase family income;
  - (e) to enable consumers to purchase standard quality goods which are safe for consumption;
  - (f) to promote cottage industries by the utilization of modern technical know-how which would raise efficiency;
  - (g) to produce and sell goods of a standard quality not only in the local market, but also in the foreign market;
  - (h) to assist in the formation of co-operative societies.

## **Chapter III**

### **Registration**

4. A person conducting a cottage industry or a person desirous of doing so, who wishes to register under this Law shall apply in the manner prescribed by the Department.
5. The Department shall, after scrutiny and inspection of the applications made section 4 grant registration if they are in conformity with the stipulation.

6. The Department shall determine the registration fees, fees for renewal of registration and the term of registration. In addition, if there is failure to renew registration within the period determined by the Department, the fine prescribed shall also be paid.

## Chapter IV

### Duties and Rights of the Entrepreneur

7. The duties of the entrepreneur are as follows:-
- (a) paying the registration fees, fees for the renewal of registration and other payable duties and taxes;
  - (b) submitting to the supervision and inspection of the Department;
  - (c) giving prior intimation to the Department in respect of the transfer of industry and change of address;
  - (d) abiding by the orders and directives issued by the Ministry and the Department;
  - (e) abiding by the existing laws.
8. The rights of the entrepreneur are as follows:-
- (a) acquiring technical know-how transferred by the Department with stipulation, for enhanced production of goods and improvement in the quality of goods;
  - (b) having the right to export and sell goods of standard quality produced by him in foreign markets in accordance with the stipulation;
  - (c) having the right to purchase raw materials, machinery and mechanical spare in the manner prescribed, with foreign exchange derived from the export and sale of goods abroad;
  - (d) making study tours, attending seminars and training course in foreign countries with the approval of the Ministry;
  - (e) being able to obtain the assistance of experts from abroad with the approval of the Ministry;

- ( f) obtaining loans and grants with the approval of the Ministry;
- ( g) being entitled to enjoy other rights which are prescribed from time to time by the Department and Government Departments.

## **Chapter V**

### **Duties and Powers of the Director General**

9. The duties of the Director General are as follows:-
  - ( a) implementing the basic principles;
  - ( b) transferring with stipulation technical know-how required for the development of cottage industries;
  - ( c) causing the utilization of results obtained creative experiments and research relating to cottage industries for the progress of the said industries;
  - ( d) carrying out in consultation with the Ministry of Planning and Finance for obtaining relief from taxes;
  - ( e) making arrangements for the display and sale of goods of standard quality produced by the cottage industries at local and foreign trade exhibitions;
  - ( f) holding seminars and convening of experts, holding exhibitions and competitions and awarding prizes and awarding honorariums;
  - ( g) negotiating to obtain local and foreign loans and grants,
  - ( h) forming associations and bodies to enable collective performance for the development of cottage industries;
  - ( i) carrying out, through the media of newspapers, radio and television to enable the public to be informed about cottage industries.
10. The powers of the Director General are as follows:-
  - ( a) entering, inspecting and calling for accounts any cottage industry, whether registered or not under this Law;

- ( b ) revoking and cancelling the registration of an entrepreneur who has not abided by the order or directive issued under this Law;
- ( c ) issuing orders and directives in respect of cottage industries;
- ( d ) delegating his duties and powers to any officer of the Department or to any working body.

## **Chapter VI**

### **Powers of the Minister**

11. The Minister may, in respect of a cottage industry pass the following orders:-
  - ( a ) granting registration;
  - ( b ) suspending the registration;
  - ( c ) cancelling the registration.
12. The Minister-
  - ( a ) may lay down programmes for the promotion of cottage industries;
  - ( b ) may form such bodies as may be necessary to assist and supervise the cottage industries and may appoint advisers. When such formation and appointment are made, may determine the duties and powers of such bodies and advisers.
13. The Minister-
  - ( a ) shall give a decision if a dispute arises as to whether it is a cottage industry or not;
  - ( b ) the decision of the Minister under sub-section( a ) shall be final and conclusive.
14. The Minister shall give a decision on an appeal submitted by the entrepreneur.

## **Chapter VII**

### **Invalidation of Registration**

15. When any of the following events occur, registration is invalidated:-
- ( a ) expiration of the term of registration;
  - ( b ) permitting the application of the entrepreneur to cancel registration ;
  - ( c ) cancellation of registration;
  - ( d ) termination of the enterprise under any existing law.

## **Chapter VIII**

### **Appeal**

16. If the entrepreneur is dissatisfied with an order or decision of the Director General, he may file an appeal with the Minister within 30days of the receipt of such order or decision.
17. The decision of the Minister shall be final and conclusive.

## **Chapter IX**

### **Prohibition and Penalty**

18. The entrepreneur-
- ( a ) shall not fail to abide by any stipulation of duty under section 7;
  - ( b ) shall not transfer, sell or misuse any right entitled under section 8;
  - ( c ) shall not transfer, sell or misuse the by product, waste product, raw material, machinery, mechanical spare parts which have been purchased from any State-owned mill, factory, production enterprise, Government department and economic organization.

19. The entrepreneur who violates any provision section 18 shall be liable to any of the following administrative penalties:-

- ( a ) warning;
- ( b ) causing a fine not exceeding kyats ten thousand to be paid;
- ( c ) suspension of registration subject to a time limit;
- ( d ) cancellation of registration.

20. Director General shall pass any of the administrative penalties contained in section 19 on the entrepreneur who violates any provision of section 18.

21. If the entrepreneur concerned fails to pay the fine imposed by the Director General, such fine shall be recovered by the Department as if it were an arrear of revenue.

## **Chapter X**

### **Miscellaneous**

22. Any administrative penalty passed by the Director General under this Law shall not affect a legal proceeding instituted under any existing Penal Law.

23. For the purpose of carrying out the provisions of this Law, the Ministry-

- ( a ) may, with the approval of the Government issue such rules and procedures as may be necessary;
- ( b ) may issue such orders and directives as may be necessary.

( Sd.)Saw Maung

Senior General

Chairman

The State Law and Order Restoration Council