

**Myanmar Citizens Investment Law**  
**(The Pyidaungsu Hluttaw Law No.18, 2013)**  
**The 7th Waning of Waso, 1375 M.E**  
**(29th July, 2013)**

The Pyidaungsu Hluttaw hereby enacts this Law.

**Chapter I**

**Title and Definition**

1. This Law shall be called **the Myanmar Citizens Investment Law**.
2. The following expressions contained in this Law shall have the meanings given hereunder:
  - (a) **Union** means the Republic of the Union of Myanmar;
  - (b) **Commission** means the Myanmar Investment Commission formed under the Foreign Investment Law;
  - (c) **Union Government** means the Union Government of the Republic of the Union of Myanmar;
  - (d) **Citizen** includes an associate citizen or a naturalized citizen. In this expression, an economic organization formed with only citizens shall also be included by this Law;
  - (e) **Foreigner** means a person who is not a citizen. In this expression, an economic organization formed with foreigners shall also be included by this Law;
  - (f) **Promoter** means any citizen submitting a proposal relating to an investment to the Commission.
  - (g) **Proposal** means the stipulated application submitted by a promoter or an investor to the Commission for approval of intended investment accompanied by draft contract, financial documents and company documents;
  - (h) **Permit** means the order of the approval of the Commission relating to the proposal;
  - (i) **Capital** includes the followings which are invested in the business by any citizen under the permit:
    - (i) domestic currency;
    - (ii) foreign currency;
    - (iii) machinery, equipment, machinery components, spare parts and instruments;
    - (iv) rights which can be evaluated the intellectual property such as licence, patent, industrial design, trademark, copyright;
    - (v) technical know-how;

- (vi) re-investment money of benefits accrued to the business or of profit share from the aforesaid;
- (vii) things which are permitted as capital under any existing law;
- (j) **Investor** means a person or an economic organization invested under the permit;
- (k) **Bank** means any bank permitted by the Union Government within the Union;
- (l) **Investment** means various kinds of property supervised by the investor under this Law. In this expression, the followings shall be included;
  - (i) domestic currency, foreign currency, re-investment out of the profits of the economic activity;
  - (ii) money borrowed from local and abroad and assistance which are necessary in carrying out the economic activity;
  - (iii) right to be mortgaged and right to mortgage in accord with law on the rights relating to the moveable property, immoveable property and other property;
  - (iv) shares, stocks and debentures of the company;
  - (v) financial rights or activities under a contract as a financial value;
  - (vi) intellectual property rights according to the existing laws;
  - (vii) functional rights granted by the relevant law or contract including the rights for exploration and extraction of natural resources;
- (m) **Person entitled as land lessor or land lessee** means the person who is entitled to lease land to carry out any economic activity or the person who is entitled to use land to carry out any agricultural and breeding business until the stipulated period by paying stipulated rent for such land to the Union;
- (n) **BOT system** means building, operation of the business and transferring it to the concerned person by those who run the business after the expiry of the term of contract;
- (o) **BOO system** means building, ownership of the business and operation of the business;
- (p) **BTO** means building, transferring the business to the concerned person by those who run the business after completing the building and operating the business.

## Chapter II

### Aim

3. Aimed at the people to enjoy sufficiently and to enable the surplus to export after exploiting abundant resources of the country; causing to open up of more employments for the people as the business develop and expand, causing to develop human resources; causing to develop in every region of the country

including infrastructures; causing to rise economic enterprises and investment business owned by Myanmar citizens, which are able to keep abreast with other countries.

### **Chapter III**

#### **Basic Principles**

4. The basic principles of this Law are as follows:

- (a) supporting the main objectives of the national economic development plan;
- (b) protecting the business and opportunities which have been obtained or should be obtained by the citizen;
- (c) development of employment opportunities;
- (d) acquisition of high technology and development of manufacturing business by high technology;
- (e) causing to produce goods by utilizing the natural resources of the country;
- (f) causing to establish enterprises for import substitution;
- (g) promotion and expansion of exports;
- (h) causing to emerge the business of production and services involving large capital;
- (i) development of modern industry;
- (j) development of small and medium enterprises;
- (k) finding out operation systems that would save energy consumption;
- (l) exploration and extraction of new energy and the emergence of renewable energy sources such as bio-basic new energy;
- (m) development of private and co-operative sectors;
- (n) regional development;
- (o) enabling to participate extensively in the money market;
- (p) causing the citizens, the intellectual and intelligentsia who are residing abroad and businessmen to participate in internal development activities;
- (q) development of intellectual property products and services;
- (r) supporting the protection and conservation of environment;

### **Chapter IV**

#### **Applicable Business**

5. With the exceptions of business restricted or prohibited under this Law or any existing law, any type of business may be applied for the investment.
6. The following investments shall be stipulated as the restricted or prohibited business:
  - (a) business which can affect the traditional culture and customs of the national races within the Union;
  - (b) business which cause damage to the environment of the public and the noise within the community;
  - (c) business which can affect the public health;
  - (d) business which can cause damage to the natural resources, environment and ecosystem;
  - (e) business which can cause damage to the animals living on land and water, trees, flowers, crops, ancient heritage, minerals, etc. in the Union;
  - (f) business which can bring the hazardous or poisonous wastes into the Union;
  - (g) the factories which produce or the business which use hazardous chemicals under international agreements.
7. The Commission shall submit the citizen investment business which can cause great effect on the conditions of security, economic, environmental and social interest of the Union and citizens, to the Pyidaungsu Hluttaw through the Union Government.

## Chapter V

### Form of Investment

8. The investment may be carried out in any of the following forms:
  - (a) carrying out an investment by a citizen with one hundred percent capital;
  - (b) carrying out a joint venture between a citizen and the relevant government department and organization;
  - (c) carrying out by the system approved by both parties including BOT, BOO in concluding the investment agreement between the Union and a citizen;
  - (d) carrying out by any system which is consistent with the Law contained in the business contract.
9. (a) In forming the form of investment under section 8, business owned by individual, group or a company may be formed;
- (b) In carrying out the investment business under sub-section (a), liquidating before the expiry of the term of the contract as it has obtained the right to terminate or on the conclusion of the business shall be complied with and exercised in accord with the existing Laws of the Union.

## Chapter VI

### Formation of the Commission

10. (a) The Union Government shall-
- (i) in respect of investment business, form the Myanmar Investment Commission with a suitable person from the Union Level as Chairman, the experts and suitable persons from the relevant Union Ministries, government departments, government organizations and non-governmental organizations as members for enabling to carry out the functions and duties contained in this Law;
  - (ii) in forming the Commission, stipulate and assign duty to the Vice-Chairman, the Secretary and the Joint Secretary out of the members.
- (b) Members of the Commission who are not civil service personnel shall have the right to enjoy allowances and recompense allowed by the Ministry of National Planning and Economic Development.

## Chapter VII

### Duties and Powers of the Commission

11. The duties of the Commission are as follows:-
- (a) taking into consideration of the facts which affect national security, financial credibility, economic justification of the business, appropriateness of technology and protection and conservation of environment in scrutinizing the proposals;
  - (b) taking prompt action as necessary if the investors complain that they do not enjoy the rights fully which are entitled under the Law;
  - (c) scrutinizing whether or not the proposals are contrary to the provisions of the existing laws;
  - (d) considering the proposals of citizens who carried out with the approval of the Union based on the type of business and the similar systems including BOT, BTO and BOO;
  - (e) submitting performances to the Pyidaungsu Hluttaw through the Union Government six-monthly;
  - (f) submitting advice to the Union Government from time to time, to facilitate and promote local investment;
  - (g) prescribing the category of investment, value amount of investment and term of business and altering thereof in accord with this Law;

- (h) coordinating with the relevant Region or State Government in respect of investment business which are entitled to carry out with the approval of the Union Government for economic development of the Region or State;
  - (i) administering to know immediately and to take action by the Commission if the natural mineral resources or antique objects and treasure trove which are not related to the permitted business and not included in the original contract are found above and under the land on which he is entitled to lease or use;
  - (j) issuing certificate of doing investment business in order to get bank loan from internal or external to carry out the business successfully in line with the proposal;
  - (k) prescribing the investment business which is not required to grant exemption and relief from tax;
  - (l) assisting the foreigners who are permitted to work in the investment business operating under the permit to get work permit and local residency certificate;
  - (m) taking responsibility by the Commission to exercise and carry out in accord with this Law;
  - (n) performing duties as are assigned by the Union Government from time to time.
12. The powers of the Commission are as follows:
- (a) accepting the proposal which is considered beneficial to the interests of the Union and which is not contrary to any existing law after necessary scrutinizing;
  - (b) issuing permit to the promoter or the investor if the proposal is accepted by the Commission;
  - (c) allowing or refusing the extension or amendment of the terms of the permit or the agreement if it is applied by those concerned after scrutinizing in accord with the stipulations;
  - (d) requesting to submit necessary evidence or facts from the promoter or the investor;
  - (e) passing any or all of administrative penalties mentioned in section 32 if the sufficient evidence is found that the investor states incorrectly the facts in the proposal submitted to the Commission to obtain the permit or he does not abide by and carry out in accord with the terms and conditions contained in the permit;
  - (f) allowing or refusing the bank which is proposed by the investor to carry out financial matters.
13. The Commission may, in performing their duties, form committees and bodies as may be necessary.
14. Conditions on the completion and improvement of the business permitted by the Commission shall be reported to the six-monthly meeting of the Union Government.

## Chapter VIII

### Duties and Rights of the Investor

15. The duties of an investor are as follows:

- (a) abiding by the provisions contained in this Law, terms and conditions contained in the rules, regulations, by-laws, procedures, notifications, orders, directives and permit issued under this Law;
- (b) using the land which he is entitled to lease or use in accord with the terms and conditions stipulated by the Commission and those contained in the agreement;
- (c) establishing the investment business by entering into the necessary contract with the relevant government department and government organization or individuals or organizations if the permit issued by the Commission is obtained;
- (d) carrying out to sub-lease and mortgage the land and building which are allowed to carry out business under the permit, transfer of the shares and the business to any other person for such investment business within the term of the business with the approval of the Commission;
- (e) informing immediately to the Commission if natural mineral resources or antique objects and treasure trove which are not related to the permitted business and not included in the original contract are found above and under the land on which he is entitled to lease or use, continuing to carry out business on such land if the Commission allows, and transferring and carrying out to the substituted place if the permissions is not obtained;
- (f) carrying out not to cause environmental pollution or damage in accord with the existing laws in respect of investment business;
- (g) insuring the stipulated types of insurance with any insurance business which has right to do any insurance business within the Union by the investor.

16. The rights for the investor are as follows:

- (a) the right of calling and appointing the technician from abroad;
- (b) the right of accepting the assistance of relevant government department and government organization in order to obtain land, building, water, telecommunication and energy which are the fundamental requirements for the business;
- (c) the right of utilizing the technical assistance and technologies in accord with the law from the government department and government organization in carrying out the business;

- (d) the right of making any other transfer of the land and building with the approval of the Commission which are not sub-leasing and mortgaging of them;
- (e) the right of carrying out in accord with the Foreign Investment Law if he transfers and sells some or all of his shares to any foreigner or any foreign company;
- (f) the right of carrying out a joint venture with any foreigner or foreign company in accord with the Foreign Investment Law if he desires to do so;
- (g) the right of proposing any other similar system including BOT, BTO and BOO depends on nature of the work in the business which are to be concluded with the Union;
- (h) the right of carrying out the expansion of investment business or increasing of capital contained in the original proposal by obtaining the approval of the Commission;
- (i) the right of submitting to the Commission to re-scrutinize and amend its order or decision in order to carry out successfully the business in accord with the proposal or to obtain the rights which he is entitled to enjoy;
- (j) the right of submitting to the Commission and the relevant government department and government organization for obtaining the benefits and for taking action in respect of the grievance in accord with the existing law;
- (k) the right of applying to the Commission to obtain more benefits for the invention of new technologies, the enhancement of product quality, the increase in production of goods and the reduction of environmental pollution in investment business carried out under the permit;
- (l) the right of obtaining the period stipulated by the Commission with the approval of the Union Government more than the period of tax exemption and tax relief contained in Chapter (XI), for the investors who invest in the investment business in the regions which are less developed and difficult to access and the regions which are used to suffer from natural disasters for the development purpose in the entire nation;
- (m) in order to get bank loans from domestic and abroad, the right of applying and obtaining it with the certificate of the Commission.

## Chapter IX

### Application for Permit



17. An investor or a promoter shall submit a proposal to obtain a permit to the Commission in accord with the stipulations.

18. The Commission:

- (a) may accept or refuse the proposal within 15 days from the date of receipt of it after making necessary scrutiny if the proposal submitted under section 17 is received;
- (b) shall issue a permit within 90 days if the proposal is accepted;
- (c) if it fails to scrutinize and decide the proposal submitted without having reasonable ground, any responsible person shall be taken action under the Civil Service Personnel Law.

## Chapter X

### Appointment of Staff and Workers

19. The investor shall:

- (a) arrange to provide practicing and training to citizen staff for improvement of their working skills;
- (b) carry out the recruitment of workers from the Labour Exchange Office or local labour exchange agencies or by the arrangement of the investor;
- (c) appoint skilled workers, technicians and staff by signing an employment agreement between employer and workers in accord with the existing labour laws and rules;
- (d) in appointing staff and workers, conclude an employment agreement in accord with the existing labour laws;
- (e) carry out to enjoy the rights contained in the existing labour laws including minimum wages and salary, leaves, holiday, overtime fee, damages, workman's compensation, social welfare and other insurance relating to workers in stipulating the rights and duties of employers and workers or the occupational terms and conditions contained in the employment agreement;
- (f) settle the disputes arisen among employers, among workers, between employers and workers and technicians or staff in accord with the relevant existing laws.

## Chapter XI

### Exemptions and Reliefs

20. The Commission shall, for the purpose of promoting investments of the citizens, permit the investor the tax exemptions contained in sub-section (a) out of the following tax exemptions and tax reliefs. In

addition one or more than one or all of the remaining tax exemptions and tax reliefs may be permitted if it is applied:

- (a) income tax exemption up to a period of five consecutive years including the year of commencement on commercial scale to any business for the production of goods or services;
- (b) exemption and relief determined additionally by the Commission for the business carried out under the specific requirement from the State;
- (c) exemptions or reliefs from income tax on profit accrued from the business under sub-section (a) if they are maintained for re-investment in a reserve fund and re-invest therein within one year;
- (d) if the goods produced by any manufacturing business are exported, relief from income tax up to 50 percent on the profit accrued from the said export;
- (e) right to deduct expenses from the assessable income incurred for research and development relating to the business which are actually required and carried out;
- (f) right to carry forward and set-off the loss up to three consecutive years from the year the loss is actually sustained within two years following the enjoyment of exemption from income tax contained in sub-section (a), for each business;
- (g) exemption or relief from customs duty or other internal taxes or both on vehicle, machinery, equipment, instrument, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of commencing the construction of business;
- (h) right to deduct depreciation from the profit, after computing as the rate of deducting depreciation stipulated by the Union on vehicle, machinery, equipment, building or other capital assets used in the business for the purpose of income tax assessment;
- (i) exemption of relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-years after the completion of construction of business;
- (j) exemption or relief from customs duty or other internal taxes or both on vehicles, machineries, equipments, instruments, machinery components, spare parts and materials used in the business which are imported as they are actually required to use during the permitted period of the original investment business after the increasing of the volume of investment with the approval of the Commission;
- (k) exemption or relief from commercial tax on goods produced for export.

## **Chapter XII**

### **Guarantees**

21. The Union Government guarantees that the business formed under the permit shall not be nationalized.
22. If the foreign loan is included in the capital of the investor, the Union Government guarantees that such loan shall be repaid, in accord with the stipulations, to the relevant bank.
23. The Union Government guarantees not to suspend a investment business carried out under the permit of the Commission before the expiry of the permitted term without sufficient cause.

## **Chapter XIII**

### **Right to Use Land**

24. The Commission may allow the investor who have right to lease land from the Union, the period of the right to use land up to initial 50 years depending upon the category of business, industry or agriculture and livestock breeding and the volume of investment.
25. The Commission may expand the extension period of consecutive 10 years for two times to the investor desirous of continuation of the business after the expiry of the term permitted under section 24, depending upon the volume of investment and category of business.
26. The Commission shall stipulate the investment business to be carried out within 10 miles from border line in favour with the indigenous people as a priority right.
27. The Commission may, from time to time, stipulate in respect of the rates of rent for the land owned by the government departments and organizations with the prior approval of the Union Government.
28. The Commission may, for the purpose of the development of the entire Nation, stipulate longer than the period for the right to lease or use land contained in this Law, for enjoyment of the investors who has invested in the regions where the economy is less developed and difficult to access.

## **Chapter XIV**

### **Capital**

29. The Commission shall register the capital with the name of the investor as the category of currency accepted by the bank. The category of capital shall be mentioned in such registering.

## Chapter XV

### Matters on Currency

30. The investor may be transferrable abroad and acceptable to the country the foreign currency contained in the investment through a bank which has the right to carry out foreign banking within the Union in the relevant foreign currency at the stipulated exchange rate.
31. The foreigners serving in any economic organization formed with the permit shall open a foreign account or Myanmar kyat account in any bank which has the right to carry out foreign banking within the Union.

## Chapter XVI

### Administrative Penalties

32. The Commission may pass the following one or more administrative penalties against the investor who violates any of the provisions of this Law, rules, regulations, by-laws, procedures, notifications, orders, directives issued under this Law or terms and conditions contained in the permit:
- (a) censure;
  - (b) temporary termination of tax exemptions and reliefs;
  - (c) suspension of business on stipulated period;
  - (d) revocation of the permit;
  - (e) black listed with no further issuance of any permit in the future.

## Chapter XVII

### Settlement of Dispute

33. If any dispute arises in respect of the investment business:
- (a) dispute arisen between dispute parties shall be settled amicably;
  - (b) if such dispute cannot be settled under sub-section (a):
    - (i) it shall be complied and carried out in accord with the existing laws of the Union if the dispute settlement mechanism is not prescribed in the relevant agreement;
    - (ii) it shall be complied and carried out in accord with the dispute settlement mechanism if it is prescribed in the relevant agreement.

## Chapter XVIII

**Miscellaneous**

34. If the citizens propose that they have own investment or have opportunity enabling to get investment from international, the Commission shall also permit the production and sale of petroleum, natural gas and electricity which are business required mass capital as priority in accord with Law.
35. The Commission shall hold its meetings in accord with the stipulations.
36. To enable to carry out the provisions of this Law, the Ministry of National Planning and Economic Development shall:
- (a) take responsibility and carry out the office-works of the Commission;
  - (b) incur the expenditures of the Commission.
37. The investors under the Myanmar Citizens Investment Law (The State Law and Order Restoration Council Law No. 4/94) before the promulgation of this Law shall be deemed as investors stipulated under this Law.
38. The investor who is carrying out by the permit of the Commission under the Myanmar Citizens Investment Law (The State Law and Order Restoration Council Law No. 4/94) shall be entitled to proceed and enjoy continuously until the expiry of the term in accord with terms and conditions contained in the permit and the relevant agreement.
39. Notwithstanding anything contained in any existing law, matters relating to any provision contained in this Law shall be carried out in accord with this Law.
40. If the sufficient evidence is appeared that the investor intentionally make false statement or conceal the accounts, instruments documents, financial documents, employment documents attached to the proposal prepared and submitted to the Commission, relevant government department and organization, he shall be taken action under criminal proceeding.
41. The decision of the Commission made under the powers conferred by this Law shall be final and conclusive.
42. No suit, civil proceeding or criminal proceeding shall lie against any member of the Commission, committee or body or any civil service personnel for any act done in good faith which has sufficient evidence in accord with the power conferred under this Law.
43. In implementing the provisions of this Law:
- (a) the Ministry of National Planning and Economic Development shall, with the approval of the Union Government, issue rules, regulations, by-laws and procedures as may be necessary;

(b) the Commission may issue orders, notifications and directives as may be necessary.

44. The Myanmar Citizens Investment Law (The State Law and Order Restoration Council Law No. 4/94) is hereby repealed by this Law.

45. After enacting this Law, within the period before enacting the necessary rules and regulations, the rules and regulations issued under the Myanmar Citizens Investment Law (The State Law and Order Restoration Council Law No. 4/94) may be continued to exercise if it is not contrary to this Law.

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

Sd/ Thein Sein

President

Republic of the Union of Myanmar