

Co-operative University, Thanlyin
Department of Law

**“Assessment of Foreign Investment Law of Myanmar
2012”**

Daw Mya ThidaKyaw
Lecturer
Department of Law

Date: 23rd June, 2016

Acknowledgement

My special thanks are due to:

- Dr. Yi Yi Win, Rector of the Co-operative University, Thanlyin, Myanmar.
- Dr. Ohnmar Than, Head Professor of the Department of Law, Co-operative University, Thanlyin, Myanmar.
- All my colleagues from Co-operative University, Thanlyin.

Abbreviation

CBM = Central Bank of Myanmar

DICA = Directorate of Investment and Company Administration

EIA = Environmental Impact Assessment

IEE = Initial Environmental Examination

GDP = Gross Domestic Product

MI = Myanmar Insurance

MIC = Myanmar Investment Commission

Abstract

The richness of Natural resources and Human capitals in the Republic of the Union of Myanmar have always been attracting factors for foreign investment opportunities. The issues relating to the foreign investment potential in Myanmar have been catching the eyes of investor for investment opportunities as well as the interests of Myanmar's policy makers for ensuring the trickle-down, equitable benefits sharing for the people of Myanmar. Here comes a need to have feasible and effective legal framework for dealing with foreign investment in Myanmar. Therefore, in order to provide assistance to the policy makers and to educate the wider audience of Myanmar about the foreign investment-related legal framework, this paper aims to assess the foreign investment law of Myanmar. The author assesses the Foreign Investment Law of Myanmar enacted by PyidaungsuHluttaw in 2012 with six major topics. They are (1) Forms of Foreign Investment, (2) the Role of Myanmar Investment Commission (MIC), (3) Available Financial Support Programs, (4) Appointments of national staffs, (5) Tax Alleviation Opportunities for foreign investors, and (6) Existing Insurance settings in Myanmar.

Content

I.	Introduction	1
	1.1 Objectives	2
	1.2 Method of the Study	2
	1.3 Limitations	2
	1.4 Overview	3
II.	Foreign Investment Laws in Myanmar	4
	2.1 Definitions of Foreign Investment	4
	2.2 History of Foreign Investment Laws in Myanmar	4
III.	Assessing Foreign Investment Law of Myanmar,2012	6
	3.1 Forms of Foreign Investment	6
	3.1.1 Explaining forms of Foreign Investment in Myanmar	6
	3.1.2 Required Legal Procedures	6
	3.2 The Role of Myanmar Investment Commission(MIC)	8
	3.3 Available Financial Supporting Programs	8
	3.4 Appointments of National Staffs	10
	3.5 Tax Alleviation Opportunities for Foreign Investors	11
	3.6 Existing Insurance Setting in Myanmar	12
IV.	Conclusions and Recommendations	14
V.	References	15
	Appendix A: Lists of Foreign Banks Branches in Myanmar	16
	Appendix B: Foreign Investment by Sectors(2004-2016)	17
	Appendix C: Private Insurance Company in Myanmar since 2013 and 2014	18

I. Introduction

I have chosen my topic for the seminar as “Assessment of Foreign Investment Law of the Union of Republic of Myanmar 2012”. As working in the academic field of cooperative education, I am very much interested in the issue of increasingly entering of foreign investment to Myanmar’s economy. In that case of massive entrance of foreign investment to Myanmar, I am motivated to explore the readiness of Myanmar’s legal framework to support those foreign investments. I also would like to find out how those legal frameworks ensure equitable benefit-distributions to Myanmar’s citizens. Therefore, I have chosen my topic as Assessment of Foreign Investment Law of Myanmar 2012 in order to present in this seminar. The comparison towards the old Foreign Investment Law, 1988 are also made in assessing the new Foreign Investment Law of Myanmar, 2012.

Natural resource richness and human capital from large working age populations such as 65.6 % of young population in 2014 in Myanmar have been a major attracting factors for foreign investors to invest in its various economic sector. In addition, Myanmar has a domestic market with over 50 million residents and having direct access to China, India, ASEAN and International markets through ports, transnational highways, and airfares. Since 2012, Myanmar’s economy has constantly grown at about 8 % while major contributing sectors to GDP growth in Myanmar are sectors of telecommunication (57.5 %), extractive industries (50.5%), oil and gas (36.1%), construction (15.9%), and manufacturing (9.7%) together with tourism in 2015¹.

Apart from the capacity from high working age population and natural resource richness, infrastructure development in transports, power, and telecommunication sectors are also major attracting factors for foreign direct investment in recent Myanmar. Some significant transnational road links are found connecting to neighboring Thailand through Hpa-An and Dawei Special Economic Zones and China through Mandalay. Besides, recent advancement in telecommunication systems with mobile networks and globally connecting internet systems are major foundational infrastructure for economic potential in Myanmar.

There have also been significant improvements in Financial sector of Myanmar to pave the ground for investments. In recent financial sector reform,

¹ MIC. (n.d). Why invest in Myanmar? Retrieved on 20th May, 2016 from www.dica.gov.mm/en/why-invest-myanmar

previous parallel currency exchange market was controlled again in 2012 with the laws enacting for the purpose of unification of exchange rate². Since October 2011, private banks could open foreign exchange counters. Besides, the revised Central Bank Law enacted in 2013 also allows for the easier entry of international and domestic private banks encouraging secure financial transactions domestically and abroad³. Currently, Stock Market Exchange has opened in Myanmar earlier in 2016.

These above situations tell us that Myanmar is ready for accepting foreign investments and boosting its economy through foreign investments opportunities. Therefore, there is a need for assessing the foreign investment law of Myanmar in order to prepare effective legal framework for dealing with increasingly coming foreign investments.

1.1 Objectives

The main objectives of the paper are

- (1) To understand Foreign Investment Law of Myanmar
- (2) To provide historical background of Foreign Investment Laws in Myanmar
- (3) To assess the Foreign Investment Law of Myanmar

1.2 Method of the Study

This paper is mainly based on secondary data sources available in printed books, academic journals, and related government departments' and other online sources. The main law reference utilized here are Foreign Investment Law of Myanmar enacted in 2012 and old Foreign Investment Law of Myanmar enacted in 1988.

1.3 Limitations

There are some limitations in this paper as well. The data here are mostly retrieved from secondary information coming from reliable sources. However, this paper is only a preliminary foundational assessment of Foreign Investment Law of Myanmar from legal perspective in a small-scale. Therefore, some in-depth further

² Kubo, K. (2013). Source of Fluctuations in Parallel Exchange Rates and Policy Reform in Myanmar. Chiba-Shi, Japan: Institute of Developing Economies, JETRO.

³ Foerch, T., Thein, S. & Waldschmidt, S. (2013). Myanmar's Financial Sector: A Challenging Environment for Banks. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. p. 12,44. Retrieving on 21st April, 2016 from <https://www.giz.de/en/downloads/giz2013-en-financial-sector-myanmar.pdf>

study on this issue is strongly encouraged to provide policy suggestions on the improvement of this law in future. I believe and hope that this paper will pave a learning ground for further and future study on the current legal framework for foreign study.

1.4 Overview

The paper is structured into four main sections. Section one is composed of Introduction. In section two, Foreign Investment Laws in Myanmar is explained. Assessment of the Foreign Investment Law of Myanmar, 2012 is written in section three. In section four, conclusions and recommendations are mentioned.

II. Foreign Investment Laws in Myanmar

2.1 Definition of Foreign Investment

Foreign Investment involves the transfer of tangible or intangible assets from one country to another for the purpose of their use in that country to generate wealth under the total or partial control of the owner of the assets⁴.

Foreign Investment are very essential for boosting a country's economy because it can build up human capacity, more employment domestically, technology transfer, and rural development. Therefore, many countries' leaders are making foreign-investment friendly policies for attracting foreign investments for the benefits of nations.

2.2 History of Foreign Investment Laws in Myanmar

Myanmar has practiced centrally-planned economic system from 1962 to 1988, for several decades. In 1988, the State Law and Order Restoration Council took the State Powers and adopt the market- oriented economy system. The Government changed the economic system towards this market- oriented economy system for liberalizing its economy and to promote the whole economic activities of the country. The State-initiated transformation measures built up necessary conditions for a market- oriented economy system and led to enacting of an important Foreign Investment Law in 1988. From that time, foreign investment was welcomed despite some limitations. The new legal framework provided private sectors including foreign investors and business men the right to do business and to make investment in Myanmar.

In making investment in Myanmar, there are two types of laws. The former are older laws promulgated before the country's adoption of the market- oriented economy in 1988. The next are newer laws promulgated after 1988. One of the first laws that have been promulgated after 1988 is the Union of Myanmar Foreign Investment Law. This law was promulgated by the State Law and Order Restoration Council. The economic objectives of the law are promotion and expansion of export, exploitation of high technology, supporting and involving large capital, opening up of

⁴ Sornarajah, M. (2012). *The International Law on Foreign Investment* (3rd eds.). New York, NY: Cambridge University Press. p. 8.

more employment, development of works which would save energy, and regional development⁵.

With the coming into effect of the Constitution of the Republic of the Union of Myanmar, 2008, the Constitution give new legal dimensions for establishing fair business principles for market economy. The Constitution also give birth to new modern laws that are designed to provide an investor friendly climate with fair deals for all⁶. Thus in 2011, the Union of Myanmar Foreign Investment Law, 1988 (promulgated by which is the State Law and Order Restoration Council Law No.10 of 1988) was repealed and Pyidaungsu Hluttaw enacted the Foreign Investment Law on 2nd November 2012 (promulgated by which is Law No. 21 of 2012) to be more effective and attractive to foreign investment in country.

The new Foreign Investment Law introduced in 2012 provide more favors to the foreign investors. The Foreign Investment Rules have been passed in 2013 by the Ministry of National Planning and Economic Development; in exercise of the powers conferred under section. 56, sub-clause (a) of the Foreign Investment Law, 2012. Since the adoption of this Law in 2013, the foreign investments in different sectors have significantly increased especially in Manufacturing and Tourism sector (See-Appendix C).

⁵ Shin, T. (Dr.). (2013). Why invest in Myanmar? (1st eds.). Wisdom House Publishing, p. 20.

⁶ *Ibids*, p. 9.

III. Assessing Foreign Investment Law of Myanmar, 2012

In this section of the paper, five major topics such as Forms of Foreign Investment, the Role of Myanmar Investment Commission (MIC), Available Financial Support Programs, Appointments of national staffs, Tax Alleviation Opportunities for foreign investors, and Existing Insurance settings in Myanmar are discussed.

3.1 Forms of Foreign Investment

In explaining forms of Foreign Investment, the paper explains different forms of foreign investment in Myanmar and required legal procedures.

3.1.1 Explaining forms of Foreign Investment in Myanmar

In general, foreign investment or International Investment is categorized into four major types such as Foreign Portfolio Investment, Foreign Direct Investment, International Bank Loans, and other official flows⁷.

In the context of Myanmar, Foreign investment is explained as any direct investment made in the Republic of Union of Myanmar by any foreign investor. In Section 9 of Foreign Investment Law⁸ of Myanmar 2012, any types of investments fallen under the following categories are considered as foreign investments.

- (1) Investment carrying out by a foreigner with **one hundred per cent foreign capital** on the business permitted by the Commission
- (2) Investments carrying out **a joint venture** between a foreigner and a citizen or the relevant Government department and organization
- (3) Investments carrying out by **any system contained in the contract** which is approved by both parties.

3.1.2 Required legal procedures

There are **two major legal procedures** needed for the investors (both domestic and foreign investors) to invest in Myanmar. They are

- (1) Company Registration Process carried out under Directorate of Investment and Company Administration (DICA)

⁷ Protsenko, A. (2003). Vertical and Horizontal Foreign Direct Investments in Transition Countries (Doctoral Dissertation). The University of Ludwig-Maximilians. Retrieved on June 3rd, 2016 from <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.633.1092&rep=rep1&type=pdf>

⁸ MIC. (2012). The Foreign Investment Law: The Pyindaungsu Hluttaw Law No. 21/2012. p.5.

(2) Applying Investment Permits from the Myanmar Investment Commission (MIC)⁹.

In Company Registration Process under DICA, the company registration is carried out according to Myanmar Companies Act (1914) and Special Companies Act (1950) under the following criteria. The companies' registration can be carried out as a private or public company by Myanmar citizens, as a foreign company or branch of a foreign company, as a joint venture company, and as an association or non-profit organizations.

In order to apply for MIC permit, remarks from the Ministry of Environmental Conservation and Forestry (MOECAF)*¹⁰ has to be obtained prior to the receipt of the permit. Assessment or Clearance remarks such as Environmental Impact Assessment (EIA) for the cement and other industries and Initial Environmental Examination (IEE) for the steel industry has to be given for protection against environmental harmfulness. The following flow chart (Chart: 3.1) developed from Section 19-22 of Foreign Investment Law, 2012 explains the step-by-step legal and timeframe procedures used while applying permits from MIC.

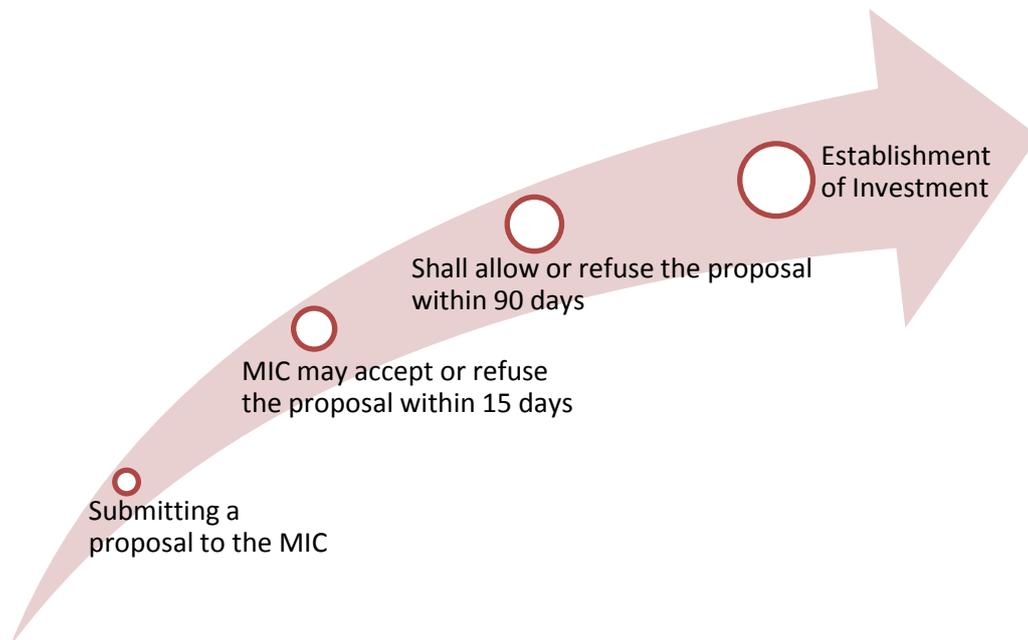


Chart 3.1: Legal Procedures and Timeframe needed for applying permits from MIC

⁹ MIC. (n.d.). Foreign Investment. Retrieved on 29th May, 2016 from <http://www.dica.gov.mm/en/foreign-investment>

¹⁰ MOECAF* is transformed as Ministry of Natural Resources and Environmental Conservation (MONREC) in 2016.

3.2 The Role of Myanmar Investment Commission (MIC)

In overseeing foreign investment-related business activities in Myanmar, Myanmar Investment Commission (MIC) holds the most authority, duty, and responsibilities. Indeed, it was founded for the purpose of carrying out the functions and duties contained in the law of Foreign Investment Law of Myanmar since 1994. The main responsibilities of MIC are for investment applications¹¹.

Some significant powers held by the MIC according to Section 13 are mentioned as below.

- (1) MIC can issue permits to investors for investments in Myanmar.
- (2) MIC has an authority to allow or refuse the amendment of the terms of the permit or the agreements.
- (3) MIC can order to submit necessary evidences or facts from the promoter or the investors.
- (4) MIC can allow restricted or prohibited investment items under section 4 and updated restricted items¹² in March, 2016 for the interests of the union and citizens.

Under the MIC, there is also a Directorate of Investment and Company Administration (DICA) which was founded since October 13th, 1993. The DICA especially acts as an in charge of managing company registration for both local and foreign business under the Companies Act while it also serves as a secretary for the Myanmar Investment Commission (MIC).

3.3 Available Financial Support Programs

In recent years, the financial support programs of Myanmar have been improving with the opening of foreign banks and other financial sector reforms.

In the past, the Section 2 of old foreign investment law in 1988 refers banks as “Any bank of the State”¹³ and the investor could invest only in “the bank prescribed

¹¹ MIC. (n.d.). Foreign Investment. Retrieved on 29th May, 2016 from <http://www.dica.gov.mm/en/foreign-investment>

¹² To supplement the foreign investment law of Myanmar, Myanmar Investment Commission assigned several prohibited areas very recently in March, 2016 according to the Notification No. 26/2016. These limited investment areas are arms and ammunitions, natural forests’ conservation and management, jade and other gem stones, medium and small scale minerals production, administration of electric power systems and related overseeing activities, air navigation services, river and waterways mineral productions, pilotage or marine overseeing activities, cross ownership of print media and broadcasting media, and publishing national ethnic languages including Myanmar language.

¹³ Ishida, M. (2013). Evaluation of the New Foreign Investment Law in Myanmar: Is it Market-Friendly, or Not? p. 64.

by the Commission” (Section 36, Foreign Investment Law 1988). However, the new Foreign Investment Law in 2012 indicates that

“The investor has the right to transfer abroad the foreign currency through the bank which has the right to carry out foreign banking within the Union” (Section 39, Foreign Investment Law, 2012).

Furthermore, in Section 40 (b), it’s said that “the investor shall carry out financial matters relating to the business by opening a foreign account in the category of foreign currency accepted by the bank within the Union which has the right to carry out foreign banking or a kyat account”.

With this new foreign investment law 2012 of Myanmar, the investors have freer or more choices in choosing their convenient banks that are linked to their home countries in doing foreign investments unlike the previous option to engage only with the banks assigned by MIC in the old Foreign Investment Law in 1988.

As mentioned in the introductory chapter of this paper, the unification of exchange rate¹⁴ in 2012 and the allowing of opening foreign exchange counters¹⁵ by private banks are major improvement factor in the financial support programs of Myanmar. In addition, since April-October, 2015, there have been nine foreign banks branches starting their business and banking in Myanmar. They are two banks from China, one bank from Singapore, one bank from Thailand, one bank from Malaysia, one bank dealing with banking in New Zealand and Australia, and three banks from Japan. The name of the banks, license date, and business commencement dates are mentioned detailed in Appendix A of this report which is taken from the Central Bank of Myanmar online source¹⁶.

Foreign Currency Exchange counters are opened in most banks holding Authorized Dealer (AD) permits. There are quite a number of domestic banks in Myanmar dealing with ATMs and credit cards services which are essential financial infrastructure for attracting foreign investments. Those banks are CB (Co-operative)

¹⁴ Kubo, K. (2013). *Source of Fluctuations in Parallel Exchange Rates and Policy Reform in Myanmar*. Chiba-Shi, Japan: Institute of Developing Economies, JETRO. p. 3. Retrieved on 21st April, 2016 from <http://www.ide.go.jp/English/Publish/Download/Dp/pdf/388.pdf>

¹⁵ Foerch, T., Thein, S. & Waldschmidt, S. (2013). Myanmar’s Financial Sector: A Challenging Environment for Banks. *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH*. p. 12. Retrieving on 21st April, 2016 from <https://www.giz.de/en/downloads/giz2013-en-financial-sector-myanmar.pdf>

¹⁶ CBM. (2015). List of Foreign Banks Branches. The Central Bank of Myanmar. Retrieved on 10th June, 2016 from <http://www.cbm.gov.mm/content/1228>

Bank, Kanbawza Bank (KBZ), Asia Green Development Bank (AGD), AYA Bank, and United Amara Bank (UAB). The withdrawal of cash from ATM machine is charged with Ks 5000 transaction fee up to Ks 300, 000 withdrawals¹⁷.

These above improvements in banking and financial sectors together with effective legal supports given by the Republic of Union of Myanmar's governments is indicating positive support factors in financial sector.

3.4 Appointments of national staffs

Indeed, the new Foreign Investment Law of Myanmar enacted in 2012 provide very outstanding and systematic legal framework towards the employment of and skills transfer to national citizens. In the example of other countries' experiences, the appointments of foreign employees are allowed roughly around 10-20 % of total employment. For instance, in Cambodia, foreign employment is limited to the maximum amount of 10 %¹⁸ and Laos only allows around 10-20 %¹⁹.

In the old Foreign Investment Law of Myanmar in 1988, it only included general regulations for appointing citizens of Myanmar as below.

“In appointing personnel in an economic organization formed under a permit, preference shall be given to citizens, provided that the Commission may, if necessary, allow the appointment of experts and technicians from abroad” (Section 20).

This shows that there was no specific target set for hiring citizens of Myanmar which may lead to difficulty in ensuring equitable and trickle-down benefit sharing to the citizen of Myanmar through incoming foreign investments in Myanmar.

However, in this 2012 Foreign Investment Law of Myanmar, there are specific targets set for how many percentage of national employees to be hired in foreign invested business in Myanmar in a manner of certain and reasonable timeframes. Particularly, skilled workers of Myanmar citizens are ordered to employ at least 25 percent in the first two-year with increase to 50 percent in the second two-year and 75

¹⁷ Personal Notes from asking a bank through phone.

¹⁸ This is mentioned in the Article 18 in Investment Law of Cambodia. This information is retrieved from Ishida, M. (2013). Evaluation of the New Foreign Investment Law in Myanmar: Is it Market-Friendly, or Not? p. 64.

¹⁹ This is included in the Article 25 of Labor Law issued in 2005 in Laos PDR. This information is gained from Ishida, M. (2013). Evaluation of the New Foreign Investment Law in Myanmar: Is it Market-Friendly, or Not? p. 64.

percent within the third two-year. This can be seen in the Section 24 (a) of the 2012 Foreign Investment Law of Myanmar.

“In appointing skilled citizen workers, technicians, and staff for skilled jobs, citizens shall have been appointed at least 25 percent within the first two-year, at least 50 percent within the second two-year and at least 75 percent within the third two-year from the year of commencement of the business. Provided that the Commission may increase the suitable time limit for the business based on knowledge”.

In the case of unskilled labors’ hiring, only citizens of Myanmar are allowed to employ²⁰ which is very distinct from the case of Cambodia’s labor law that allows to employ unskilled foreign labors for up to one percent²¹. Additionally, this new foreign investment law of Myanmar enacted in 2012 also assigns the decree in section 24. This is to make sure that skill transfers to local national workers are achieved through practice and training opportunities for Myanmar’s national.

Overall, this 2012 Foreign Investment Law of Myanmar is more effective in terms of legal regulations and rules of law due to its systematic protection of its citizenship’s rights and ensuring of their co-learning opportunities for skill improvements.

3.5 Tax Alleviation Opportunities for foreign investors

Although ensuring trickle-down or equitable benefit sharing for the citizen of Myanmar, the 2012 Foreign Investment Law of Myanmar is friendly to investors by providing tax alleviation and other incentive opportunities for foreign investors.

Despite, in this current Foreign Investment Law, 2012, the income tax exemption is allowed for five consecutive years including the commencement year which gives more investment-welcoming environment for foreign investors.

There can be some potential drawback due to prohibited items mentioned the Notification No. 26/2016 supplementing the Foreign Investment Law of Myanmar by MIC. This is because of limiting the investment-prone items like oil and gas, jade and gems, and other investment-attracting products. However, those prohibitions are very important for protection of national interests of Myanmar in terms of protecting

²⁰ In the Section 24 of Foreign Investment Law of Myanmar in 2012, it is mentioned that “the investor shall appoint only citizens for the works which do not require skills”.

²¹ This is mentioned in the Article 18 in Investment Law of Cambodia. This information is retrieved from Ishida, M. (2013). Evaluation of the New Foreign Investment Law in Myanmar: Is it Market-Friendly, or Not? p. 64.

environment, national security, and benefits of its citizens. Even so, there are some exception law available for allowing foreign investment in prohibited areas whereas it could benefit the nation and this can be a positive incentive for foreign investors.

3.6 Existing Insurance Settings in Myanmar

The existing insurance settings of Myanmar are still limited despite having wider options to carry out insurance with different company in present times.

In the 1988 Foreign Investment Law of Myanmar, Section 19 issues that “all economic organization formed under a permit shall effect insurance with the Myanmar Insurance Corporation in respect of the prescribed types of insurance”. However, in the Foreign Investment Law, 2012, the investor can carry out insurance with any insurance business allowed to carry out within the Union according to Section 23. This show increased options for business owners to secure their business and investments at various insurance companies running officially inside Myanmar.

In the past, there was only Myanmar Insurance, a state-owned insurance company. In terms of diversities of insurance types, the state-owned Myanmar Insurance offer 29 insurance category²² such as life and health insurance, fire and burglary insurance, cash in safe and transit insurance, personal accident and disease insurance, workmen’s compensation insurance, liability insurance, contractor’s and machineries insurance, travel insurance, oil and gas insurance, motor vehicle insurance, and so on.

Since 5th September, 2012, the Insurance Business Regulatory Board has announced to give license to private insurance companies²³. This results in opening of 12 private insurance companies (See Appendix C) which were given license during 2013-2014 respectively. Among 12 private insurance companies, nine of them run business activities for general and life insurance whereas three of them carry out life insurance business. However, in practice, the business activities carried out by those private insurance companies are limited in terms of diversities of insurance types and the volume of the business compared to the state-owned Myanmar Insurance.

²² MI. (n.d.). Myanmar Insurance. Retrieved 20th May, 2016 from <http://www.mof.gov.mm/en/content/myanma-insurance>

²³ This information is gained from Myanmar Insurance, a state-owned insurance business, website as followings. [MI. (n.d.). Myanmar Insurance. Retrieved 20th May, 2016 from <http://www.mof.gov.mm/en/content/myanma-insurance>]

Therefore, this show a need for improvement in insurance climate of Myanmar to provide safe, secure, and variety of insurance forms for attracting foreign investors in Myanmar.

IV. Conclusions and Recommendations

To sum up, the new Foreign Investment Law of Myanmar assigned in 2012 is more investment friendly for foreign investors as well as beneficial to the citizens of Myanmar. The readiness of the Foreign Investment Law 2012 is in a stage of effective and systematic level due to its precise and specific indicators for attracting foreign investments and ensuring the trickle-down effects and benefits to the Myanmar nationals.

During the assessment of the 2012 Foreign Investment, specific categorizing of foreign investments' forms is found. In managing and overseeing the foreign investment activities, the authority and responsibilities of MIC act as a governing body for foreign investment- related business activities. In addition to tax alleviation incentive laws mentioned in the new Foreign Investment, available financial support programs resulting from the provision of business license to private banks for carrying out foreign currency-related financial services are making the foreign investments more welcoming. There is a need for improvement in existing Insurance climate of Myanmar. However, the new Foreign Investment Law has protected the rights of its citizens through clearly defined employment percentage for hiring national citizen in skilled workforce together with friendly policy for attracting foreign investments.

Overall, this paper is a preliminary assessment of the foreign investment law of Myanmar from legal perspective. It is recommended to carry out further in-depth study on this issue relating to Foreign Investment Law in order to deliver policy suggestions and interventions in the future for the benefits of the Republic of the Union of Myanmar.

V. References

- CBM. (2015). List of Foreign Banks Branches. *The Central Bank of Myanmar*. Retrieved on 10th June, 2016 from <http://www.cbm.gov.mm/content/1228>
- DICA. (2016). *2016 FDI by Sector*. Retrieved on 20th May, 2016 from http://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/2016_may_fdi_by_sector_yearly_approved.pdf
- Foerch, T., Thein, S. & Waldschmidt, S. (2013). Myanmar's Financial Sector: A Challenging Environment for Banks. *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH*. Retrieving on 21st April, 2016 from <https://www.giz.de/en/downloads/giz2013-en-financial-sector-myanmar.pdf>
- Ishida, M. (2013). *Evaluation of the New Foreign Investment Law in Myanmar: Is it Market-Friendly, or Not?*
- Kubo, K. (2013). *Source of Fluctuations in Parallel Exchange Rates and Policy Reform in Myanmar*. Chiba-Shi, Japan: Institute of Developing Economies, JETRO.
- MI. (n.d.). *Myanmar Insurance*. Retrieved 20th May, 2016 from <http://www.mof.gov.mm/en/content/myanma-insurance>
- MIC. (n.d.). *Foreign Investment*. Retrieved on 29th May, 2016 from <http://www.dica.gov.mm/en/foreign-investment>
- MIC. (n.d.). *Why invest in Myanmar?* Retrieved on 20th May, 2016 from www.dica.gov.mm/en/why-invest-myanmar
- Protsenko, A. (2003). Vertical and Horizontal Foreign Direct Investments in Transition Countries (Doctoral Dissertation). *The University of Ludwig-Maximilians*. Retrieved on June 3rd, 2016 from <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.633.1092&rep=rep1&type=pdf>
- Shin, T. (Dr.). (2013). *Why invest in Myanmar?* (1st eds.). Wisdom House Publishing.
- Sornarajah, M. (2012). *The International Law on Foreign Investment* (3rd eds.). New York, NY: Cambridge University Press.
- U.S Department of State. (2015). *Burma Investment Climate Statement*. Retrieved on 11th April, 2016 from <http://www.state.gov/documents/organization/241712.pdf>

Appendix A: Lists of Foreign Banks Branches in Myanmar²⁴

Sr No.	Bank Name	License Date	Date of business Commencement
1.	The Bank of Tokyo-Mitsubishi UFJ, Ltd	2-4-2015	22-4-2015
2.	Oversea-Chinese Banking Corporation Ltd	2-4-2015	23-4-2015
3.	Sumitomo Mitsui Banking Corporation	2-4-2015	23-4-2015
4.	United Overseas Bank Limited	30-4-2015	4-5-2015
5.	Bangkok Bank Public Company Limited	26-5-2015	2-6-2015
6.	Industrial and Commercial Bank of China	26-5-2015	1-7-2015
7.	Malayan Banking Berhad (Maybank)	27-7-2015	3-8-2015
8.	Mizuho Bank Limited	27-7-2015	3-8-2015
9.	Australia and New Zeland Banking Group Limited	29-9-2015	2-10-2015

²⁴ CBM. (2015). List of Foreign Banks Branches. The Central Bank of Myanmar. Retrieved on 10th June, 2016 from <http://www.cbm.gov.mm/content/1228>

Appendix B: Foreign Investment by sectors (2004-2016)²⁵

YEARLY APPROVED AMOUNT OF FOREIGN INVESTMENT
(BY SECTOR)

(US \$ in million)

Sr	Sector	Foreign Capital to be brought in	1988-89 to 2003-2004	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-2017 (end of 31/5/2016)
1	Agriculture	249.866	34.351							138.750		9.650	20.269	39.666	7.180	
2	Livestock & Fisheries	461.085	312.358				12.000					5.6	96.016	26.861	8.250	
3	Mining	2897.606	528.190	6.000	0.700		5.000	855.996	2.500	1396.077	19.897	15.334	32.730	6.259	28.923	*
4	Manufacturing	6585.705	1608.084	3.520			18.720	(-) 0.232	33.230	66.321	32.254	400.716	1826.980	1502.013	1064.998	*
5	Power	19684.642	0.000		6030.000	281.222				8218.520	4343.978	364.201	46.511	40.110	360.100	
6	Oil and Gas	22410.368	2457.473	142.550	34.975	438.480	170.000	114.000	278.600	10179.297	247.697	309.200		3220.306	4817.790	
7	Construction	37.767	37.767													
8	Transport & Communication	5085.337	313.272								0.634		1190.232	1679.304	1930.996	*
9	Hotel and Tourism	2446.365	1031.061	3.500				15.000	15.250			300.000	435.210	357.949	288.395	*
10	Real Estate	3006.451	1053.740	2.713									440.573	780.745	728.680	
11	Industrial Estate	203.113	193.113												10.000	
12	Other Services	650.269	23.686									14.766	18.534	357.320	235.963	*
	Total	63718.574	7593.095	158.283	6065.675	719.702	205.720	984.764	329.580	19998.965	4644.460	1419.467	4107.055	8010.533	9481.275	0

²⁵ DICA. (2016). 2016 May FDI by Sector. Retrieved on 20th May, 2016 from http://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/2016_may_fdi_by_sector_yearly_approved.pdf

Appendix C: Private Insurance Company in Myanmar since 2013 and 2014²⁶

Sr.	Company Name	Address	Remarks
1	First National Insurance Public Co., Ltd.	No. 400/406, Merchant Street, Botahtaung Township, Yangon	General Ins. + Life Ins.
2	I.K.B.Z Insurance (Public) Co., Ltd.	No. 608, Bo Sun Pat St., Pabedan Township, Yangon	General Ins. + Life Ins.
3	Young Insurance Global Co., Ltd.	No. 647(A), Pyi Road, Kamayut Township, Yangon	General Ins. + Life Ins.
4	Grand Guardian Insurance Public Co., Ltd.	No. 19/20 (A,B,C & D) Junction Square, Pyi Road, Kamayut Township, Yangon	General Ins. + Life Ins.
5	Global World Insurance Co., Ltd.	No. 44, Thein Phyu Road, Pazundaung Township, Yangon	General Ins. + Life Ins.
6	Excellent Fortune Insurance Co., Ltd.	No. 53/54, Sat Sayar U Tun Street, Shwe Pyi Thar Industrial Zone, Insein Township, Yangon	General Ins. + Life Ins.
7	Aung Thitsar Oo Insurance Co., Ltd.	Room 602/604, Myawaddy Bank Luxury Complex, No. 151, Bogyoke Road, Lanmadaw Township, Yangon	General Ins. + Life Ins.
8	Pillar of Truth Insurance Co., Ltd.	No. 14-02, Sakura Tower, Sule Pagoda Road, Kyauktada Township, Yangon	General Ins. + Life Ins.
9	Ayeyar Myanmar Insurance Co., Ltd.	No. 480, Lower Kyeemyindine Road, Kyeemyindine Township, Yangon	General Ins. + Life Ins.
10	Capital Life Insurance Co.,	No. 277/285, Middle of Bo Aung Kyaw Street, Kyauktada Township, Yangon	Life Ins.
11	Citizen Business Insurance Public Ltd.	No. 5, Sayar San Plaza First Floor, Bahan Township, Yangon	Life Ins.
12	Aung Myint Moh Min Insurance Co., Ltd.	No. 28, Corner of Shwedagon Pagoda Road and Pantrar Street, Dagon Township, Yangon	Life Ins.

²⁶ MI. (n.d.). Myanmar Insurance. Retrieved 20th May, 2016 from <http://www.mof.gov.mm/en/content/myanma-insurance>