

2021 IN REVIEW

Myanmar



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Key legislative and regulatory developments: 2021

Welcome to the Allen & Gledhill *2021 in Review: Myanmar*. This publication highlights legislative and regulatory developments in a number of major practice areas.

Highlights of 2021

1. Central Bank of Myanmar issues directives relating to utilisation of currency

In November 2021, the Central Bank of Myanmar issued directives relating to the treatment and utilisation of currency including the imposition of a limit on cash paid per transaction, specifying the bid-ask rate for dealing with foreign currency, and expanding previous instructions relating to the treatment of export earnings.

2. Myanmar fiscal year for banks and financial services providers to run from 1 April to 31 March

On 7 September 2021, the Central Bank of Myanmar issued a letter to all banks, financial services companies and mobile financial services providers informing of a change to the fiscal year. For these types of businesses, the fiscal year will run from 1 April to 31 March from the 2022-2023 fiscal year onwards.

3. Myanmar allows courts to refer matters to mediation in amended Code of Civil Procedure

On 11 October 2021, the State Administration Council issued an amendment to the Code of Civil Procedure (“**CPC**”) which introduces mediation as an avenue for dispute resolution in civil disputes. The CPC has been amended to allow courts to refer to mediation cases prescribed for mediation by any law or notification issued by the Supreme Court, and cases which are voluntarily referred to mediation by the parties.

4. Recent amendments to tax administration in Myanmar

The Myanmar Government has recently announced the introduction of a new tax e-filing management system, change of fiscal year and related amendments to the assessment of taxes.

The *2021 in Review: Myanmar* covers developments in the categories below:



Our *2021 in Review: Myanmar* may also be found on the [Publications](#) page on the Allen & Gledhill (Myanmar) website www.allenandgledhill.com.mm.

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Banking & Finance

CBM issues directives relating to utilisation of currency: In November 2021, the Central Bank of Myanmar (“**CBM**”) issued directives relating to the treatment and utilisation of currency including the imposition of a limit on cash paid per transaction, specifying the bid-ask rate for dealing with foreign currency, and expanding previous instructions relating to the treatment of export earnings. *Read full article [here](#).*

CBM reduces time frame for conversion of export proceeds: On 3 October 2021, CBM issued Notification No. 35/2021 repealing Notification No. 33/2021 relating to the conversion of export proceeds into Myanmar Kyats, and stipulating that export proceeds must now be utilised or divested within 30 days. Previously, a time frame of four months was given to convert export proceeds. CBM reminds exporters of their obligation under sections 38(b) and 42(a) of the Foreign Exchange Management Law (“**FEML**”) and paragraph 35 of the Foreign Exchange Management Regulations to remit their export earnings into bank accounts in Myanmar within six months of the date of exportation. Section 41 of the FEML was also amended on 6 October 2021 to widen its application. *Read full article [here](#). Read article on Notification No. 33/2021 [here](#).*

Myanmar fiscal year for banks and financial services providers to run from 1 April to 31 March: On 7 September 2021, CBM issued a letter to all banks, financial services companies and mobile financial services providers informing of a change to the fiscal year (“**Letter**”). The Letter instructs that for these types of businesses, the fiscal year will run from 1 April to 31 March from the 2022-2023 fiscal year onwards. *Read full article [here](#).*

CBM issues new rules regarding appointment of foreign employees: CBM issued Letter No. CBM/MP/ FIR/ Bank Si Sit/1 (4/2021) titled “Instruction to comply for the matters related with employing of foreign employees at Banks” (“**Instruction**”), which came into effect from 2 August 2021. The Instruction requires banks to seek prior approval at least 30 days before employing a foreigner, restricts which positions foreigners can undertake, obliges banks to train Myanmar counterparts, and requires banks to provide reports of a foreign employee’s travel to CBM. *Read full article [here](#).*

CBM issues Guideline on Risk Management Practices of Banks: On 20 November 2020, CBM issued the “Guideline on Risk Management Practices of Banks”. The guidelines apply to all banks in Myanmar and set out CBM’s supervisory expectations in relation to the banks’ risk management systems. The guidelines came into effect on 20 May 2021. *Read full article [here](#).*



Corporate & Commercial

DICA instructs companies to open corporate accounts for financial transactions: On 22 November 2021, the Directorate of Investment and Company Administration (“**DICA**”) issued Directive No. 136 of 2021 stipulating that companies and organisations established under the Myanmar Companies Law must open corporate accounts in their name to carry out financial transactions. The Directive applies to all companies and organisations registered with DICA. *Read full article [here](#).*



Dispute Resolution

Myanmar allows courts to refer matters to mediation in amended Code of Civil Procedure: On 11 October 2021, the State Administration Council issued an amendment to the Code of Civil Procedure (“**CPC**”) which introduces mediation as an avenue for dispute resolution in civil disputes. The CPC has been amended to allow courts to refer to mediation cases prescribed for mediation by any law or notification issued by the Supreme Court, and cases which are voluntarily referred to mediation by the parties. *Read full article [here](#).*



Tax

Recent amendments to tax administration in Myanmar: The Myanmar Government has recently announced the introduction of a new tax e-filing management system, change of fiscal year and related amendments to the assessment of taxes. *Read full article [here](#).*

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About Allen & Gledhill (Myanmar)

Allen & Gledhill is an award-winning full-service South-east Asian law firm. The Firm’s Yangon office is fully licensed to provide Myanmar law advice and legal opinions. The office’s Myanmar and foreign qualified lawyers are supported by the Allen & Gledhill network which includes regional offices in Singapore and Vietnam, a Malaysian associate firm in Kuala Lumpur, Rahmat Lim & Partners and our network firm in Jakarta, Soemadipradja & Taher. Allen & Gledhill (Myanmar) combines sound local knowledge with best international practices to provide value added advice and unparalleled service to all clients. Allen & Gledhill (Myanmar) is led by Minn Naing Oo, a Singapore and New York qualified lawyer fluent in the Myanmar language. Minn has well-established connections in the Myanmar business community and experience advising both foreign investors and local businesses on their projects in Myanmar.

Operational since 2014, Allen & Gledhill (Myanmar) has gained an excellent reputation for advising local conglomerates and organisations as well as international clients across diversified industry sectors and was awarded *IFLR Asia Awards Most Innovative National Firm of the Year (Myanmar) 2018*. Allen & Gledhill (Myanmar) also regularly receives top tier rankings in *IFLR1000*, *Chambers Global*, *Chambers Asia-Pacific* and *The Legal 500 Asia Pacific*.

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