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UNOFFICIAL ENGLISH TRANSLATION

OF

DRAFT MYANMAR SPECIAL ECONOMIC ZONE LAW

PREPARED BY

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IN ASSOCIATION WITH

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Draft Myanmar Special Economic Zone Law

Date: 24th December 2012

Chapter (1)
Name and Definition

1. This Law shall be called Myanmar Special Economic Zone Law.
2. All kinds of special economic zones shall be inclusive in this Law.
3. In this law -
(a) State means Republic of the Union of Myanmar.
(b) Cabinet means Union Cabinet of the Republic of the Union of Myanmar.
(c) Special Economic Zone means the zone permitted as special economic zone by the central committee issuing notification under this Law demarcating area and measurement of it.
(d) Infrastructure means electric power supply, water supply, purifying system for water, communication and communication network of road, railway, port and airport regarding special economic zone.
(e) Developer means company, person or association implementing works in special economic zone, constructing infrastructures in special economic zone and operating, repairing and maintaining works permitted by the management committee concerned for each tasks of work in accordance with the rules and regulations, notifications, orders, instructions and procedures issued under this Law.
(f) Investor means the citizen or the foreigner, or citizen and foreign who founds joint venture business making investment in special economic zone under the permission of the management committee concerned.
(g) Free Zone means the area to be considered outside of the State, demarcated by the management committee and customs department favouring tax exemption for the goods in the special economic zone and the goods imported into this zone. The work in free zone, production area, transport services and place of international wholesale are also included in this word.
(h) Promotion Zone means the area of local customs duty in the special economic zone. Other works that are not works of free zone are also included in this word.
(i) Work of Free Zone means the work based on exportation that has similar rights to other factories in free zone, locating in special economic zone without specifying as Free Zone, or as Promotion Zone. The works in Free Zone are also inclusive in this word.
(j) Other Work means the work that has similar rights to other factories in free zone, locating in special economic zone without specifying as Free Zone, or as Promotion Zone. The works in Promotion Zone are also inclusive in this word.

(k) Central Committee means the Central Committee established under this Law by the Cabinet for Myanmar Special Economic Zone.
(l) Central Working Committee means the central working committee established by Central Committee under this Law.
(m) Management Committee means the management committee of Special Economic Zone founded under this Law of the works of management, administration and supervision in the Special Economic Zone concerned.
(n) Ministry means the Union Ministry prescribed by Union Cabinet for implementing works and duties required under this Law.
(o) Citizen means citizen and anyone who has a right of nationalization including business group founded by citizens in accordance to this Law.
(p) Foreigner means non-citizen, including business group founded by non-citizens in accordance to this Law.
(q) Capital means the property invested for business such as land, building, vehicle etc. Shares, bonds and other similar agreements and contracts are also included in this word.
(r) Capital Gains mean the profit earned by selling, mortgaging, changing or leasing any Capital.

Chapter (2)
Objectives

4. The objectives of this Law are as below –
(a) To support the main objectives of national economic development project.
(b) To create employment opportunity and to improve living standard, to develop production and increase exportation and to earn foreign income.
(c) To encourage, uplift and attract developing industrial sector, economic sector and social sector and to achieve cooperation between the three sectors.
(d) To uplift industries, economics, commerce, trading, services and financial cooperating works between Myanmar and other nations and to provide citizens with opportunities for learning vocational education.
(e) To encourage and attract local and foreign investments by establishing good infrastructures for developers and investors.
(f) To promote local and foreign investments in special economic zone and to establish network businesses and services among special economic zone and the industries nearby, creating new job opportunities.

Chapter (3)
Establishing Special Economic zone

5. Central Committee has to establish special economic zone in the suitable area or zone with the consent of Cabinet depending on the following principles for economic development of the State –

(a) The place that has international exit such as port and airport, or the place such as international border, or that is easy to connect with local markets.

(b) The place demarcated by Union Cabinet for a purpose of local development.

(c) The place that has infrastructures, or is potential for such infrastructures to be implemented.

(d) The place that has water resources and electricity.

(e) The place where there is enough land to found industries and investment works.

(f) The place where there are skilled workers, workmen who has fair skill and the workers who can be trained and taught.

(g) The place that can be arranged to open training facilities for workers who need to require such skills.

(h) The place located in the main point the territory of the State, or area.

6. Central Committee in reviewing what is profitable to the State and people, and seeing possibility for profit can found special economic zone with the consent of Union Cabinet, even if it is not funded within the prescription of Section 5.

7. Foreigners or foreign companies can run any kinds of business with wholly foreign investment, or founding joint venture company with citizen, or citizen- owned company under the permission of the management committee concerned except the works restricted by Cabinet in the area of special economic zone.

Chapter (4)
Specifications for Free Zone and Promotion Zone

8. In a special economic zone, the management committee –

(a) has a right to demarcate separate boundaries of free zone, or promotion zone, as necessary; and

(b) has a right to demarcate other zones under the requirement besides free zone and promotion zone; and

(c) has a right to prescribe each business of export first as free zone if there is no any demarcation as free zone, or promotion zone separately.

9. Works of free zone specified under Section 8, Sub-section (c) have similar right to the business locating in that free zone and any other works that are not considered as work

of free zone in special economic zone can have similar right like to business locating in promotion zone.

10. (a) Customs Department –

(1) has to control the goods imported into free zone, and whether to restrict the exportation goods produced in free zone out of free zone, or into the promotion zone without customs clearance;

(2) has to demarcate entrances and exits of free zone with the ways to be used for security of free zone;

(3) has to carry out customs clearance with simple and effective clearance methods that are in accordance with international rules in special economic zone and has a right to inspect workplace of investor, if necessary;

(4) has a right to take action under the procedures of customs if the Custom Department disagrees with the specifications concerned under Subsection (3).

(b) Customs Department and the department concerned have to prescribe procedures concerning customs clearance to carry the goods produced in free zone to local market, or to promotion zone.

(c) The goods carried from free zone to local market, or to promotion zone shall be considered as imported goods, the finished goods or semi-processed goods produced with the raw material imported to free zone in free zone, carried from free zone to local market, or to promotion zone shall be considered as importation.

(d) Goods stated in Sub-section (c) shall attract customs duty and other taxes and such custom duty and other taxes shall be paid under the existing laws.

(e) The goods carried from local markets, or from promotion zone into free zone shall be considered exportation of the State.

(f) Production works or works of free zone locating in free zone shall be manufacturing works based on export. The supporting work producing semi-processed goods, or parts and spare parts for the works in free zone can situate in free zone. The work of export first can situate in free zone even it is not a kind of producing work. The said supporting works and the work of export first can be considered as the works of free zone in the special economic zone that has no specification for free zone and promotion zone.

(g) Business can be done as wholly domestic investment, or as wholly foreigner investment, or as joint venture between citizen and foreigner without dividing citizen investment and foreigner investment in free zone.

(h) The most limits of the goods produced in free zone and sold in local market

or promotion zone can be prescribed by rules.

(i) When transporting goods from special economic zone to other countries, the goods shall be sealed and carried with container when passing the area out of special economic zone.

11. (a) Business can be done as a wholly domestic investment, or wholly foreign investment, or as a joint venture between citizen and foreigner without dividing citizen investment and foreigner investment in free zone.

(b) Promotion Zone is the place for keeping works based on local market, or the market in special economic zone. Promotion Zone is the place for investment in business based on local market such as production, housing, departmental stores, banking services, insurance services, schools, hospital and recreational centers etc. Although production works in promotion zone are especially based on local market, these works can be directly exported and distributed to businesses in free zone. In the special economic zone that is not dividing free zone and promotion zone, other businesses that are not considered as works of free zone shall be considered as investment works in promotion zone.

Chapter (5)
Organization of Central Committee and its Liabilities

12. Union Cabinet –

(a) is to organize Central Committee of Myanmar Special Economic Zone with a suitable person as a chairman, or other suitable persons from the Union Ministry, government departments and associations as members in that committee to implement the works mentioned in this Law concerning organization of Special Economic Zone;

(b) is to prescribe duties and liabilities for Central Committee.

13. Central Committee –

(a) has a right to choose investors, calling tender in accordance with the international rules;

(b) has a right to choose the one who has experience in special economic zone management in priority if investor who will invest in special economic zone is selected in any other way using the way that is profitable to the State and people, the way that is easy and fact to implement projects and the clear and visible way that can be taken part by people.

14. The responsibilities of Central Committee are as follows –

(a) Laying down policies and giving instructions for the purpose of implementing special economic zones in accordance with the prescription of this Law.

(b) Designating the places and regions demarcated in the territory of the State as the places of special advanced industries, commerce, services, tourism services, industries based on agriculture, investments, central financial department and central industrial department of export first.
(c) Proposal, suitable location, required area, measurement, demarcation and boundaries shall be measured and submitted to the Cabinet for the government departments and associations to review and remark.
(d) Organizing central working committees and management committees under the permission of the Cabinet and allocate responsibilities to these committees.
(e) Laying down plans concerning management and development of Special Economic Zone and allocate work plans regarding the implementation and supervision.
(f) The Special Economic Zone Development Project submitted by the management committee shall be examined and confirmed.
(g) Investment amount and type of business in special economic zone shall be specified if necessary.
(h) Supervising the works of management committees, carrying out occasional inspection and cooperating with government departments and organizations concerned.
(i) Determining tax rates, land rents and land application fees under this Law and granting relief and exemption with the consent of Cabinet.
(j) Granting extension of tax relief and exemption prescribed under this Law, receiving confirmation from Cabinet for a purpose of nationwide development.
(k) Planning Official works using the resources within the Special Economic Zone for efficient performance.
(l) Founding associations with the personnel from government departments and organizations concerned for carrying out the affairs of administration, security, management and development of Special Economic Zone and allocating responsibilities for these associations.
(m) Assigning management committee to controls the organizations formed under Sub-Section (l).
(n) Reporting the implementation in special economic zone to Union Cabinet periodically.
(o) Founding new special economic zones for the benefit of the State and people, or upgrading current industrial zones to special economic zones with the consent of Union Cabinet.
(p) Carrying out other tasks assigned by Union Cabinet regarding the special economic zone.

Chapter (6)

Organization of Central Working Committee and its Liabilities

15. By the agreement of the Cabinet, the Central committee :

(a) is to form Central Working Committees with the personnel from the government departments and associations to support the implementation of works in Special Economic Zone;

(b) is to appoint chairman, vice chairman, secretary and joint secretary under Subsection (a);

(c) can appoint substituting members of central working committee and to reform the Central Working Committee when necessary;

(d) establish other working committees and assign them the specific work.

16. The responsibilities of central working committee are as follows –

(a) The proposal concerning Special Economic Zone construction and the proposal for investment works submitted by management committee, developer, or investor shall be examined and submitted to the Central Committee.

(b) The Special Economic Zone development project submitted by management committee for the implementation of Special Economic Zone shall be examined and submitted to the Central Committee.

(c) Type of zone, priority of the work to be performed and the type of works to be implemented in zone, shall be examined and submitted to Central Committee for specifying the works.

(d) Observing the matters concerning international special economic zone and other special economic zones and location that should be implemented in Myanmar and submitting the view to Central Committee.

(e) Cooperate with the departments and associations responsible for carrying out investment works in the Special Economic Zone with permission of Central Committee in accordance with the prescriptions.

(f) The matters such as administration, management and laws concerning investment works to be performed in Special Economic Zone and other necessary matters shall be examined and submitted with advice to Central Committee.

(g) Performing other duties assigned by the Central Committee.

Chapter (7)

Organization of Management Committee and its Liabilities

17. Central Committee is –

(a) to form management committee with the personnel of government departments and organizations responsible for each special economic zone in order to carry out the tasks included in this Law;

(b) to appoint and assign chairman, vice chairman, secretary and joint secretary under Sub-Section (a);

(c) to assign a representative from the Cabinet of the Region or State responsible for that management committee;

(d) has a right to substitute members of management committee and to reform when necessary;

(e) has a right to form other working committees and assign works to the working committees formed.

18. Chairman of Management Committee shall be appointed from Union Minister and he/she has direct duty to report to the President of Myanmar.

19. The responsibilities of management committee includes the following:

(a) Submit the development project in Special Economic Zone to Central Committee and central working committee and obtain confirmation for implementing Special Economic Zone.

(b) Ensure the investment works complies with the prescriptions under this Law.

(c) To issue permit for investment within 30 days from the date of application if the application from submitted by investor under Section 21 is qualified with detailed facts and specifics.

(d) To supervise and control the matters concerning Special Economic Zone development such as implementation of investment and construction projects, land application, environmental control, waste management, health, education, finance, taxes, development affairs, transport, communication, security, electricity, energy and water etc. and to coordinate with the government departments and associations concerned.

(e) To cooperate with the government departments and associations when necessary in order to protect the properties, profits and other rights of investors in accordance with the existing laws.

(f) To issue notifications, orders, instructions and procedures which shall be complied by investor.

(g) To cooperate with the government departments and associations when necessary for issuing entry visa and stay permit for foreigners such as investors and their

workmen and technicians serving in Special Economic Zone.
(h) To coordinate for the smooth running of financial management by Central Bank of Myanmar in Special Economic Zone, or foreign exchange for investors, supervision of financial affairs, or connection with the banks running foreign banking services in Myanmar.
(i) To coordinate with the developers, investors, or companies, to grant permit in accordance with the prescription and to supervise under this law.
(j) To fill up, amend, change, or omit the prescriptions under this law when necessary concerning the businesses registered for investment in special economic zone without affecting the registered businesses.
(k) To demarcate the associated zones and places in the special economic zone.
(l) To issue permit to investors in special economic zone, register company, issue entry visa, issue country of origin, perform tax assessment, issue labour permit, issue permit for constructing factory and licenses for other businesses and investments, establish Organized Services Center (OSC) to provide all kinds of services at the same time.
(m) To control the departments formed under Sub-Section (l) as subordinate body.
(n) To check the designs and construction works of special economic zone and determine whether it is consistent with main project.
(o) To regulate the type business that can be established in free zone and promotion zone, the minimum investment amount depending on the type of business, the minimum number of citizen employees to be employed, standard of technology and the terms and conditions.
(p) To supervise and manage under the existing laws of environmental control in special economic zone, to check the waste management system and to ensure the standard is complied by the investor or developer in case of disagreement.
(q) To establish supporting committee with the representatives of government departments, representatives of investors and developers and suitable personnel from other organizations, if necessary.
(r) In respect of construction works for investment projects in special economic zone, businesses, repairing and maintenance services, to instruct and change the type of management while paying attention to the developing investment works based on the advice given by supporting committee.
(s) To issue rules and regulations in accordance with the prescription in relation to operating works and management in each special economic zone.
(t) To execute the tasks and duties directly assigned by Cabinet and Central Committee.

Chapter (8)
Investment Works and Liabilities of Investor

20. Investor has the right to carry out works in accordance with the specifications, include the following –

(a) Producing goods from raw materials, manufacturing goods by using machine, goods shed services, transportation and giving of services,

(b) Bringing and importing raw-material, packing material, machine tools, equipments and lubricants from domestic or overseas to be used in investment works into the Special Economic Zone.

(c) Trading and dealing the goods produced in investment works internally and externally in accordance with the prescription under this law.

(d) Establishing the offices of investment work and oversea services in the Special Economic Zone under the permission of the management committee to perform works.

(e) Carrying out other businesses that are not restricted under existing laws by the permission of the management committee.

21. The investor who wishes to run business in special economic zone is to apply for permission from the management committee under the rules and regulations prescribed this Law.

22. Investment work must be performed by investor after the end of construction works and during the period prescribed by management committee. If his/her investment works cannot be performed, and he/she is to provide sufficient reasons in advance to management committee. If there is a delay without justification, permit can be withdrawn by the management committee under this law.

23. Investor has a right to income tax exemption and relief, includes the following–

(a) Exemption of income tax for the first seven years from the starting date of business in free zone, or works of free zone and exemption of income tax for the first five years from the starting date of business in promotion zone, or other businesses in the area of special economic zone.

(b) 50% of income tax exemption under any applicable existing law for the second five years for the investment works in free zone and promotion zone.

(c) 50% of income tax exemption under any applicable existing law upon the profit earned by reinvestment within a year keeping the profit earned from the investment of work for the third five years in free zone and promotion zone as investment fund to be done again.

24. If he/she is not granted the exemption and relief anymore under Section 23 after the expiration of exemption and relief, the income tax assessed under the existing law shall

be paid.

25. Investor –

(a) is to register the business, company and organization to be established in special economic zone;

(b) is to present the investment plan to the management committee in accordance with the prescription of this law.

(c) is to keep lists, schedules, accounts and records of his/her business in accordance with the international standard;

(d) is to destroy useless and out-of-standard medicine and food product in the investment works in accordance with the relevant prescriptions at the place indicated.

26. Investor is to abide the standards under the Environmental Control Act in Myanmar and the health standard and social affairs must be maintained at all time.

27. Investor in wishing to terminate or liquidate his business, company, or organization has to notify the management committee in accordance with the prescription of this law and comply with the relevant prescriptions.

28. In case of transferring the whole or a piece of shares of his or her business, company, organization or investors have to notify the management committee in order to register again.

Chapter (9)

Construction Works and Liabilities and Exemption for Developer

29. (a) A developer can be private entity, or cooperating with government or cooperation between private and government.

(b) A developer can operate with wholly domestic investment, or wholly foreign investment, or joint venture between citizen and foreigner in special economic zone.

30. Developer –

(a) has a right to implement business in special economic zone, to sub-lease land to other investors, to carry out repairing and maintenance works under the supervision of the management committee after signing Leasehold Contract of Land with cabinet;

(b) the cabinet or regional/state cabinet, can directly run the works such as construction, management, repairing and maintenance in special economic zone, or transfer to any other contractor in a clear and visible manner to the public;

(c) is to complete each construction project during the specified period;

(d) it can run the works of infrastructure directly in special economic zone, or

transfer to any other organizations as contract, but shall construct the contract in a clear and visible manner for infrastructure out of special economic zone and combined with special economic zone under the suitable ways prescribed by cabinet;

(e) in case of constructing infrastructure out of special economic zone and combined with special economic zone, investment can be carried out by separate organizations for constructing each infrastructure. There shall be separate accounts for these organizations. The developer who constructs the said associated infrastructure has similar right enjoyed by the developer in special economic zone. He/she may have more rights under the consent of the central committee to cover his investment in constructing time consuming associated works such as roads, railways, bridges or water supply systems. If the service of such infrastructure is also provided outside of special economic zone, the other contract for constructing an associated work must be signed by government department for each sector for the part service providing out of zone.

31. Developer has a right to income tax relief and exemption, includes the following -

(a) Exemption of income tax for the first eight years starting from the date of establishment from the running date of business in prosperity.

(b) 50% of the business of income tax accessed under the existing law is exempted for the five years after the period specified in (a).

(c) 50% relief of income tax fixed under the existing law upon the profit earned by making investment again within a year keeping the profit earned from the investment work for the third five years as investment fund to be done again.

32. If developer is not granted the further exemption and relief under Section 31, after the expiration of exemption and relief, the income tax assessed under the existing law shall be paid.

33. If developer is running business himself or herself in special economic zone, he or she can sub-lease the land and buildings in special economic zone to investors during the period while the permit is valid, or during the period after Leasehold Grand of Land is executed by cabinet for operating business.

34. Developer is to pay the value concerning land application and operating business in a lump-sum, or in installment to the department concerned under the Leasehold Contract of Land executed with cabinet.

Chapter (10)

Relief and Exemption upon import done by Developer and Investor

35. He/she has a right of relief and exemption upon importation includes the following :
(a) Relief and exemption of duty in the importation of construction material for constructing infrastructure and own offices, machines, machine tools, machineries and the items to be used in work.
(b) The investor in free zone has a right to relief of duty and other taxes in importing raw-material to be used in production, machines, machine tools and spare parts, construction material for factory, storage and own office and motor vehicles to be used in work.
(c) The investor in free zone has a right to relief of duty and other taxes in importation of the goods for wholesale trading in duty free exportation and services such as supply and transport, post-payment only goods, the motor vehicles and other necessary equipments imported for the need of these works.
(d) The investor in promotion zone has a right to exemption in duty and other taxes within five years from the starting date of business and a 50% of relief in duty and other taxes for five years after the expirary of first five years in importing the machines, machine tools and spare parts which are not for sale purpose, construction material for constructing factory, storage and own offices, the motor vehicles and other necessary items imported for actual requirement in these works in accordance with the prescription in this law.
36. The investor in promotion zone –
(a) is to pay duty and other taxes regularly in importing raw-material and other goods to be used in production;
(b) has a right to apply for the return of duty and other taxes paid at the time of importation, when exporting the finished goods using the items mentioned in Sub-section (a), or semi-processed goods abroad, or carrying them into free zone ;
37. Developer and investor –
(a) can not sell machinery, machines, machine tools and motor vehicles to a party out of special economic zone;
(b) in special circumstances, the tax exempted at the time of importation shall be paid back for the sub-sale of properties under Sub-section (a).
38. Developer and investor are required to have the approval of the management committee concerned in respect of the provisional important period for importing expensive machineries, machines and machine tools for using in prior of construction.
39. Developer and investor in special economic zone are granted to have extra five years

from the year of making loss by the operation of business to mitigate the loss.

40. In respect of commercial tax, or taxes in full value-

(a) investor in free zone can be granted to have relief in commercial tax or taxes in full value;

(b) investor in promotion zone can be granted to have relief and exemption in commercial tax or taxes in full value during the period of relief specified in this law. The said commercial tax and taxes in full value shall be paid after the relief is expired;

(c) investor has a right of application for exemption in commercial tax, or taxes in full value for the goods to be exported;

(d) investor has a right of application for exemption of commercial tax, or taxes in full value for the goods carried from local market a promotion zone into free zone.

41. Permission can be given for tax exemption and free from tax assessment for the goods directly or indirectly exported from special economic zone, or the goods exported back to free zone, except the items restricted by the cabinet.

42. Developers and investors have the right to apply for the exemption in income tax for the profit of each shareholder earned from local profit after tax payment.

43. The actual costs of the investor for locally training skilled worker, the worker without skill, or the employee from management sector in free zone and the actual costs for research and development can be deducted form the income tax due.

Chapter (11)
Arbitration

44. If any dispute concerning investment works arises, it shall be settled peacefully between the parties of the dispute.

45. In case when a final settlement can not be reach under section 44:

(a) it shall be settled in the way prescribed by the contract between the parties;

(b) in case where there is no prescribed way to settle a dispute, it shall be solved under the existing laws of the State.

Chapter (12)
Withholding Tax

46. If any foreigner staying abroad has a right to run business in special economic zone under the right regarding property and intellectual property even he/she has no running business in Myanmar -

(a) the person who makes payment shall pay withheld tax deducted from capital to the department concerned under the income tax rate prescribed by Income Tax Act on the cash to be paid for royalty fee, interest and service fee;
(b) the person who makes payment shall pay withheld tax deducted from capital to the department concerned under the income tax rate prescribed by Income Tax Act on rental fee and other similar earnings.
47. The investor concerned is to collect and pay income tax under the income tax rate prescribed by the existing law on the salary earned by domestic/foreign employees and workers in special economic zone in a currency specified by Central Committee.

Chapter (13)
Financial Management with Bank and Insurance

48. Business that relates to foreign exchange in Special Economic Zone have a right to open foreign exchange account at any banks which performs foreign banking services in Myanmar and the payment can be done in that foreign exchange in accordance with the prescriptions.
49. Investor and developer have a right to change or transfer his/her foreign exchange in Special Economic Zone or abroad in accordance with prescriptions in this law.
50. Domestically owned insurance companies, foreign-owned insurance companies, or joint venture insurance companies of citizen and foreigner have a right to run their regional offices and insurance business in special economic zone.

Chapter (14)
Management and goods inspection by Customs Department

51. Investor in free zone or business in free zone have to abide the rules and regulations, notifications, orders and instructions issued under this Law and the investor in promotion zone or other business have to abide the rules and regulations prescribed under the existing customs law.
52. Customs Department should simplify procedures and control in free zone and not to control excessively, unless for the requirement of economics and social security restricting illegal trading and uphold international agreements.
53. Customs Department is to make customs declaration, inspection of documents and inspecting goods only once under the international policies if necessary in the importation of raw-materials and instruments for exporting into free zone or abroad.
54. Customs Department is to inspect the goods imported into free zone depending on the possible danger under the management rules and regulations by customs method.

However, excessive inspection of these goods must be reduced.

55. Customs Department has to go to field to check the production for exportation at the workplace of investors with a simplified process under management rules and regulations for the efficiency of the inspection. Customs officer has a right to inspect goods to make sure that they will not spill during transportation and to seal the goods when necessary.

56. Customs Department has a right to use P.C.A. method to run everything smoothly in customs clearance services.

57. Trade Fair of goods or exports can take place in the place demarcated in free zone under the control of Customs Department.

58. Customs Department has a right to monitor and inspect in accordance with rules and regulations in respect of the method used in moving can carrying goods in each step of production in free zone.

59. Investor in free zone has a right to purchase necessary raw-material, filled up items, parts of goods, the material to be used in work, packing items and semi-processed goods required for export production, or export service from local market, or from promotion zone directly. Rules and regulations of customs clearance shall be applied in transporting these goods into free zone.

Chapter (15)
Checking whether there is contagious disease or not and the isolation for quarantine purpose

60. The responsible person from the Contagious Disease Department, Department of Health -

(a) is to check the goods, vehicles, containers, animals and trees to be transported directly into the Special Economic Zone, or to be transported directed out of Special Economic Zone in ports, airports, railway stations and transporting between Special Economic Zone whether there is contagious disease and to isolate such item for quarantine purpose.

(b) is to check whether there is contagious disease in respect of imported goods and exported goods, or investment works in the Special Economic Zone and to quarantine in the presence of such disease.

Chapter (16)
Worker's Affairs

61. Management Committee in respect of worker's affairs in the Special Economic Zone –
(a) is to supervise whether the employment contract is signed in accordance with specifications;
(b) is to coordinate for upholding the rights stated in the existing Labour Law and regulations including minimum wage, salary, leave-day, holiday, overtime pay, stipend for dismiss and workman compensation in specific to the rights of employer and employee as mentioned in the employment contract, or in prescribing terms and conditions concerning employment;
(c) has a right to inspect and supervise to uphold the rights of employee, technician and staff-member;
(d) can specify the lowest wages of workmen.
62. Labour recruitment can be done freely through the career and labour recruiting office in special economic zone, or local employment agencies, or by the plan of investor.
63. In employing domestic skilled workmen, technicians and staff-members, employment contract shall be signed between employer and employee under the existing laws and regulations in relation to the employment.
64. Conducting training and opening course should be done for improving the skills of domestic employees.
65. Only the domestic workmen shall be employed in the job where there is no requirement of expertise skills needed.
66. (a) If the dispute taken place between employer and employee, technician, or staffmember in Special Economic Zone, it shall be negotiated and settled done by Management Committee.
(b) If the attempt by the management committee can not reach final settlement under Sub-Section (a), that dispute shall be solved under the Myanmar Labour Arbitration Act.
67. Work permit for the foreign employees in special economic zone shall be issued by the representative office of labour department opened in special economic zone.
68. In case of employment of domestic skilled workmen, technicians and staff-members for the works of expertise, investor must employ at least 25% of domestic employee during first two years, at least 50% in the following two years and at least 75% after the second two years period.
69. If additional employment of foreigner employees are needed in the sectors of technology and management under the requirement in particular job, employments can be done by the permission of the management committee.

Chapter (17)
Land Application

70. Management Committee can grant developer, or investor for land rent, or land application for (50) years in payment of land rental fee. The period can be extended by (25) years after the end of first period if he/she wishes to keep running the business.

71. Developer, or investor –

(a) If there is any residential houses, buildings, paddy-field and gardens, trees and plants and cultivations to be removed from the land being leased or being applied, developer or investor must pay the compensation and expenses for such removal, as specified in the contract.

(b) He/she must maintain the standard environmental requirement and the basic requirements must be fulfilled. The management committee is to coordinate these works for a smooth transition, when necessary.

(c) The land he/she gets on lease, or has a right to apply shall be used in accordance with the terms and conditions prescribed.

(d) Surface of ground, or level of the land to be leased or to be applied shall not be repaired or changed the appearance without any permission by management committee.

(e) He/she must send urgent report to management committee if explored any natural resources, or antiques out of permitted work and original contract in over/under ground of the land permitted him/her for rent, or application. He/she can keep running the work if granted by management committee, or will be allocated to other location.

(f) He/she can make lease, mortgage, or sale to other in accordance with existing laws during the period of business on the specific land and building permitted him/her for running works with the consent of the management committee under the terms and conditions.

72. Developer or investor in case of termination or liquidation of investment work has to return the land leased/applied and buildings on the land shall be removed when it is necessary.

73. Ministry of Home Affairs is responsible under the existing laws for the acquisition, or transferring lands demarcated by Central Committee in special economic zone.

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74. The rights to the properties and benefit belonging to developer or investor, together with other rights must be protected under the existing laws.
75. The products produced, services provided and price of exportation in free zone or promotion zone shall not be restricted and controlled.
76. The developer or investor together with their workmen, technicians, employees and families residing in special economic zone are to abide the existing laws enacted in Myanmar except prescribed by this Law.
77. It must be insured that the investment works running within Special Economic Zone shall never be nationalized during the permitted period.
78. The union ministries and the ministries of region/state shall implement the works included in this Law.
79. The person assigned by the union ministries and the ministries of region/state are responsible to collect taxes which is receivable under this Law and penalties from the one who fail to pay these taxes and penalties under the existing laws.
80. The prescriptions of this Law shall be in force even if other existing laws state otherwise.
81. If any section in this Law is violating any international contracts and agreements accepted by the Republic of the Union of Myanmar, international contracts and agreements shall be complied.
82. (a) The responsible ministry shall undertake the official works of Central Committee and then also bear cost of such official work.
(b) Union Cabinet has a right to assign responsible ministry, or other ministry to undertake the official works of management committee and to bear the cost of such official work.
83. Union Cabinet –
(a) has a right to from a special committee with suitable personnel issuing notification for carrying out the duties of Central Committee;
(b) has a right to form a management committee with suitable issuing personnel issuing notification for carrying out the works of management and supervision;
(c) has a right to specify the tasks and responsibilities of committees included in Sub-Section (a) and (b).
84. Central Committee and the management committee in special economic zone have a right to amend, change, cancel, fill up any notification, order instruction and procedures as necessary by the consent of Union of Cabinet. However such changes, amendment, cancellation, or fulfillment shall not effect the businesses registered for investment in

special economic zone.

85. In implementing this Law –

(a) Cabinet has a right to issue necessary rules and regulations.

(b) Central Committee and Management Committee concerned have a right to issue necessary notifications, orders, instructions and procedures.

86. Myanmar Special Economic Zone Law (Law No. 8/2011 of State Peace and Development Council) is overwhelmed by this Law.

I do sign myself under the Constitution of the Republic of the Union of Myanmar.

(Sd/-) Thein Sein
President
Republic of the Union of Myanmar

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