

The State Law and Order Restoration Council  
**The Myanmar Citizens Investment Law**  
(The State Law and Order Restoration Council Law No. 4/94)  
The 5th Waning Day of Tabaung, 1355 M.E.  
(31st March, 1994)

The State Law and Order Restoration Council hereby enact the following 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) Commission means the Myanmar Citizens Investment Commission formed under this Law;
  - (b) Citizens include an associate citizen or a naturalized citizen;
  - (c) Proposal means an application and prescribed documents submitted, to the Commission in accordance with the stipulation for investment in an economic enterprise;
  - (d) Permit means the order of approval by the Commission in respect of a proposal;
  - (e) Economic Enterprise means an economic enterprise which has obtained a permit under this Law;
  - (f) Investor means a citizen making an investment and operating an economic enterprise under a permit or a citizen legally authorized by such citizen. This expression also includes a co-operative society formed under the Co-operative Society Law, a company, partnership, joint-venture, an organization operating an economic enterprise, formed under any existing law and consisting only of citizens or citizens legally authorized by such company, partnership, joint-venture and organization ;
  - (g) Investment includes the following:
    - (i) domestic currency, foreign currency, re-investment out of the profits of the economic enterprise;
    - (ii) machinery, spare parts, equipment and machinery component:
    - (iii) land, building;

(iv) raw material;

(v) technology, trade mark, licence, patent rights which can be evaluated.

(h) Bank means any bank which is established under the Financial Institutions of Myanmar Law or any corresponding bank of the Central Bank of Myanmar.

## **Chapter II Objectives**

**3.** The objectives of this Law are as follows:

(a) to cause investments of Myanmar citizens to be beneficial to the State;

(b) to promote development of production and services;

(c) to cause production of goods by utilizing the natural resources of the country;

(d) to establish enterprises for import substitution;

(e) to promote and expand export;

(f) to promote development of technology;

(g) to open up more employment opportunities;

(h) to promote development of private and co-operative sectors;

(i) to contribute towards regional development;

(j) to enable extensive participation in the money market.

## **Chapter III Applicable Economic Enterprises**

**4.** This Law applies only to economic enterprises or types of economic activities which the Commission prescribes by notification from time to time with the approval of the Government.

**Chapter IV**  
**Formation of the Commission and Duties and Powers Thereof**

**5.** In order to implement successfully the objectives of this Law, the Government shall form the Myanmar Citizens Investment Commission.

**6.** The duties and powers of the Commission are as follows:

- (a) prescribing by notification the economic enterprises or types of economic activities applicable to this Law, with the approval of the Government;
- (b) scrutinizing the proposal submitted to the Commission by a person desirous of making an investment, and deciding as to whether the proposal should be accepted or not;
- (c) issuing a permit to the investor if the proposal is accepted;
- (d) giving a decision as may be necessary when the investor applies for extension or reduction of the tenure of the permit, suspension for the time specified, termination or alteration of the approval;
- (e) reviewing and altering the order or decision when any investor submits for review and alteration of any order or decision;
- (f) being able, at any time to call for supporting evidence, facts, annual report or statement of accounts which are considered necessary by the Commission from the investor;
- (g) scrutinizing as may be necessary and permitting the appointment subject to a time limit when the investor applies for permission to appoint foreign experts under requirement of work;
- (h) informing the relevant Government department and Government organization for grant of rights and appropriate assistance in respect of rights entitled in accordance with law by any investor;
- (i) taking action as may be necessary when a submission is made by an investor that he has not been granted in full the rights to which he is entitled under this Law;
- (j) passing an administrative penalty, if an investor violates the provision of this Law, rules, procedures, orders, directives issued under this Law or any condition of the permit;
- (k) being able to form committees and bodies as may be necessary in carrying out the purposes contained in this Law.

**7.** The decision of the Commission shall be final and conclusive except in the case of review and alteration of its order or decision under section 6 sub-section (e).

## **Chapter V**

### **Submission of Proposal and Issuance of Permit**

**8.** A person desirous of making an investment to operate an economic enterprise under this Law shall apply to the Commission with the proposal in order to obtain a permit.

**9.** On receipt of a proposal, the Commission shall scrutinize based on the following facts, in order to determine whether the economic enterprise mentioned in the proposal should be permitted or not:-

- (a) whether it is in conformity with the policies of the State or not;
- (b) whether it is in contravention of any existing law or not;
- (c) whether it contributes to the economic development of the State or not;
- (d) whether there is financial credibility or not;
- (e) whether there is economic justification or not;
- (f) whether there is appropriateness of technology or not;
- (g) whether there is prospect of successful implementation of the enterprise or not;

**10.** If the proposal is accepted the Commission shall issue a permit to the investor, in accordance with the stipulation.

## **Chapter VI**

### **Duties and Rights of an Investor**

**11.** The duties and rights of an investor are as follows:

- (a) being responsible to abide by the provision of this Law, rules, procedures, orders, directives issued under this Law and conditions of the permit;
- (b) being responsible for effecting insurance with the Myanmar Insurance in accordance with the Myanmar Insurance Law;
- (c) having the right to appoint foreign experts for the time specified, when necessary, after obtaining the approval of the Commission;
- (d) having the right to obtain assistance from the relevant Government department and Government organization to acquire land, building, water, telecommunication, and energy which are basic requirements in an economic enterprise;

(e) having the right to acquire and utilize in accordance with the law, technical assistance and technology from the relevant Government department and Government organization, in operating an economic enterprise;

(f) having the right to submit to the Commission when it is considered necessary to review and alter any order or decision of the Commission, in order that an economic enterprise may be operated successfully in accordance with the proposal or in order that the right to which he is entitled in accordance with the law may be obtained in full;

(g) having the right to submit to the Commission and the relevant Government department and Government organization for acquiring his benefits in accordance with the law and for causing action to be taken in respect of his grievances;

(h) having the right to form and operate in accordance with the Foreign Investment Law, if desirous of establishing a joint venture with a foreigner or with any foreign company.

## **Chapter VII**

### **Exemptions and Reliefs from Taxes**

**12.** In order to promote investment by citizens, the Commission shall grant the investor exemption from income-tax for a period extending to 3 consecutive years, inclusive of the commencement of the economic enterprise.

**13.** The Commission may, by notification grant the investor any or more than one of the following exemptions or reliefs from taxes, in addition to the right mentioned in section 12 :

(a) if foreign currency is included in the investment of any economic enterprise, relief from income-tax in accordance with the stipulation, depending upon the amount of such foreign currency;

(b) if the prescribed foreign currency is accrued from the export of goods or services by any economic enterprise, relief from income-tax up to 50 per cent on such profits accrued, for the time specified;

(c) in the case of an economic enterprise which is beneficial to the State, if there is an increase of domestic and foreign income to the extent of the prescribed rate, due to production of goods or service enterprise, relief from income-tax in accordance with the stipulation;

(d) if the economic enterprise is an import substitute enterprise or production of goods or service enterprise which is determined to be mainly necessary for the State and where it is operated with little profits, relief from income-tax in accordance with the stipulation for a reasonable period;

- (e) if it is an economic enterprise which utilizes technology and operates for the development of high technology, relief from income-tax in accordance with the stipulation, for a reasonable period;
- (f) exemption or relief from income-tax on profits accrued from the economic enterprise, if they are maintained in a reserve fund and reinvested therein within 1 year after the reserve is made;
- (g) the right to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the enterprise at the rate fixed and to the extent of the original value, within a short term, for the purpose of income-tax assessment;
- (h) exemption or relief from customs duty or other internal taxes or both on machinery, spare parts, equipment, machinery components and materials used in the enterprise, which are not available locally and are imported as they are actually required for use during the prescribed period of initial investment;
- (i) exemption or relief from customs duty or other internal taxes or both on imports of raw materials and materials used in the enterprise and permitted by the Commission to be imported for the first 3 years' commercial production following the completion of the prescribed period of initial investment;
- (j) exemption or relief from commercial tax on goods produced for export;
- (k) if it is an economic enterprise which contributes mainly towards development of remote areas determined by the Commission, relief from income-tax in accordance with the stipulation for a reasonable period.

## **Chapter VIII Guarantee**

**14.** It is guaranteed that an economic enterprise which has obtained a permit shall not be nationalized during the tenure of the permit.

## **Chapter IX Administrative Penalties**

**15.** The Commission may pass any or all of the following administrative penalties on an investor who violated the provision of this Law, rules, procedures, orders and directives issued under this Law or any condition of the permit:

- (a) warning;

- (b) causing the fine to be paid and permitting the enterprise to be continued;
- (c) revoking the permit;
- (d) temporarily suspending the exemptions and reliefs from taxes;
- (e) entering the name of the enterprise on the black list of economic enterprises on which no permit will, be issued in future.

**16.** Failure to pay the fine ordered under section 15, sub-section (b) shall entail the recovery of such fine as if it were an arrear of land revenue.

### **Chapter X Miscellaneous**

**17.** The Ministry of National Planning and Economic Development shall:

- (a) undertake the responsibility of the office work;
- (b) bear the expenses of the Commission.

**18.** For the purpose of carrying out the provisions of this Law the Commission may:

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

**Sd./ Than Shwe  
Senior General  
Chairman  
The State Law and Order Restoration Council**