

The Government of the Republic of the Union of Myanmar
The Ministry of National Planning and Economic Development

Notification No. (1 / 2015)

The 12th Waxing of Wagaung, 1377 M.E.

(27th August, 2015)

In exercise of the power conferred under sub-section (a) of section 95 of the Myanmar Special Economic Zone Law, the Ministry of National Planning and Economic Development hereby issues these rules with the approval of the Union Government:

Chapter I

Title and Definition

1. These rules shall be called the Myanmar Special Economic Zone Rules.
2. The expressions contained in these rules shall have the same meaning as prescribed in the Myanmar Special Economic Zone Law. Moreover, the following expressions shall have the meanings given hereunder:
 - (a) Law means the Myanmar Special Economic Zone Law, 2014;
 - (b) Authorized Operations means operations relating to businesses for the establishment of the Special Economic Zone, construction business for the development of infrastructure within the Special Economic Zone and operations of their businesses or businesses relating to the repair and maintenance works within the Special Economic Zone permitted by the Management Committee;
 - (c) Business means the investment business operated in the Special Economic Zone with permission of the Management Committee;
 - (d) Capital Goods means any plant, machinery, equipment or accessories required for manufacturing or production of goods, either directly or

- indirectly, in which either goods or services are included, such as, construction works for the development of the Special Economic Zone, replacement, modernization, technological upgrade or expansion, change of materials, packaging machinery and equipment, machinery and instruments for testing and research;
- (e) One Stop Service Centre (OSSC) means a centre which is formed by the Management Committee of the Special Economic Zone with the relevant departments to issue permits for investment within the Special Economic Zone, to carry out registration of company, issuance of entry visa relating to business, issuance of certificate of origin, tax collection process, issuance of work permit and permission for construction of factory and issuance of licenses and permits for other investment and business within the Special Economic Zone. ;
 - (f) Proposal means an application submitted by an investor or a developer to the Management Committee of the Special Economic Zone to get the permit for an intended investment;
 - (g) Domestic Tariff Area means internal taxation area of the Republic of the Union of Myanmar;
 - (h) Authorized Customs Officers means the customs officer attached to the One Stop Service Centre (OSSC) of the Special Economic Zone.
 - (i) Specified Customs Officer means the Head of Authorized Customs Officers who are attached to the One Stop Service Center of the Special Economic Zone;
 - (j) Raw Material means required materials which are used for the production of goods, in the form of, natural or unprepared or unrefined. Furthermore, materials or goods which are required to produce finished goods, required finished goods or semi-finished goods to produce value-added products

- and packaging materials in which unprepared or natural or raw materials ready to product and use are included;
- (k) Foreign Entrepreneur means a person who resides out of the Republic of the Union of Myanmar, doing investment business and businesses relating to thereof in the Special Economic Zone. In this expression, a company incorporated outside of the Republic of the Union of Myanmar is also included;
 - (l) Authorized Representative means a person authorized by the investor or the developer with an official letter to carry the goods necessary for a business in Special Economic Zone, to clear the custom, to re-export and to carry out similar businesses;
 - (m) Goods Supplier means a person who supplies raw materials, semi-product, finished products and technology which are required for services or products with or without fees for any business which is in the Special Economic Zone or in the domestic tariff area or in abroad;
 - (n) Permit means an official permission letter issued by the Management Committee to an investor or a developer to operate businesses in the Special Economic Zone;
 - (o) Myanmar Automated Cargo Clearance System (MACCS) means a clearance system for export, import customs procedures by using information technology system and its relevant departmental organizations;
 - (p) Combined Container Load means a container in which goods from different owners are placed in it. In this expression, the goods that are not exported with the container are included;
 - (q) Form means the form stipulated in these rules.

Chapter II

Formation of the Management Committee and carrying out the activities

3. The Central Body shall form a Management Committee for the Special Economic Zone within thirty days from the date of approval for the establishment of the relevant Special Economic Zone in accordance with section 9 of the Myanmar Special Economic Zone Law.
4. The Central Body may assign duties to the assigned person in the Management Committee, without limitation of the terms based on his skill and requirement.
5. The members of Management Committee who are not government servant are entitled to enjoy expenses and remuneration allowed by the Management Committee. The relevant Management Committee may, as necessary, charge the service fees for its services, including issuance of a permit from the Developers and Investors or Promoters.

Chapter III

Convening the Meetings of Central Body, Central Working Body and Management Committee

6. The meeting of the Central Body shall be convened at least twice a year.
7. The quorum of meeting shall be valid, if more than half of the members of the Central Body are present.
8. The Central Body shall make decisions with the approval of more than half of the members who are present at the meeting. The decision shall not be objected, denied or amended by the members of the Central Body who are not present at the meeting.
9. The Central Body may, if necessary, invite the relevant Ministry, the Union Minister or the Deputy Minister, the technical experts and other essential persons to the meeting.
10. The meeting of the Central Working Body shall be convened at least quarterly.

11. The chairman of the Central Working Body shall act as a chairman of the meeting. The vice-chairman shall chair the meeting when the chairman is not available. In the absence of chairman or vice-chairman, the meeting shall not be convened.
12. The quorum of meeting shall be valid, if more than half of the members of the Central Working Body are present.
13. The Central Working Body shall make decisions by the approval of more than half of the members who have attended the Central Working Body meeting. The decision shall not be objected, denied or amended by the members who are not present at the meeting.
14. The Central Working Body may, if necessary, invite the relevant Ministry, the Union Minister or the Deputy Minister, the technical experts and other essential persons to the meeting.
15. The Management Committee shall convene the meetings at least twice a month.
16. The chairman of the Management Committee shall act as a Chairman of the meeting. The Vice-Chairman shall chair the meeting when the Chairman is not available. In the absence of Chairman and Vice-Chairman, Secretary shall chair the meeting.
17. The quorum of the meeting shall be valid, if more than half of the members of the Management Committee are present.,.
18. The Management Committee shall make decisions by the approval of more than half of the members who have attended the Management Committee meeting. The decision shall not be objected, denied or amended by the Management Committee members who are not present at the meeting.
19. The Management Committee may, if necessary, invite the head of department of the relevant Ministry, the technical experts and other essential persons to the meeting.

Chapter IV

One Stop Service Centre (OSSC)

20. The relevant Management Committee shall form One Stop Service Center (OSSC) with the officials from the following government departments, and government organizations:
 - (a) Customs Department;
 - (b) Department of Commerce and Consumer Affairs;
 - (c) Directorate of Investment and Company Administration (DICA) or department or organization which is responsible for incorporation and affairs of company;
 - (d) Internal Revenue Department;
 - (e) Labour Department;
 - (f) Department of Immigration and National Registration;
 - (g) Any relevant department of the Ministry of Industry;
 - (h) Any relevant department of the Ministry of Construction;
 - (i) Department of Food and Drugs Administration (FDA);
 - (j) Any relevant department of the Ministry of Electric Power;
 - (k) Any other organization as the Management Committee may think fit relating to the requirement of business activities.
21. One Stop Service Center (OSSC) shall be administered and supervised by the Management Committee and it shall jointly be opened at the office of the relevant Management Committee.
22. The representatives from the relevant Ministries who are appointed at One Stop Service Center (OSSC) shall issue the required license permits and permission to Developers and Investors without getting any approvals and recommendations from the relevant Ministries. Those representatives shall be fully authorized by the respective Ministries for making decisions and signing to issue the relevant license and permit.

23. One Stop Service Center (OSSC) shall carry out the followings in accordance with the guidance of the relevant Management Committee in order to provide the Investors with the smooth and comprehensive administrative services:
- (a) issuance of the required permit, license and permission to do the businesses within the Special Economic Zone;
 - (b) carrying out for registration of company and activities relating to it;
 - (c) issuance of entry visa and residency for foreigners and their accompanying families;
 - (d) issuance of permit and license for exports and imports;
 - (e) issuance of certificate of origin;
 - (f) carrying out tax collection and related matters;
 - (g) carrying out matters relating to labor and worker registration;
 - (h) issuance of permit to construct the factory and carrying out for industrial registration;
 - (i) issuance of the permit for the construction of a building, factory and other constructions;
 - (j) controlling and preservation not to damage the environment;
 - (k) issuance of work permit for foreign workers;
 - (l) inspection and issuance of certificates for food and drug safety and prevention of Contagious Diseases;
 - (m) drawback claims of customs duties and other taxes;
 - (n) customs clearance for exports and imports, including Post Clearance Audit;
 - (o) Issuance of any other permit, license and permission required for the investment and businesses of the developers and the investors in the Special Economic Zone with the cooperation of the relevant Management Committee.

Chapter V

Establishment of Special Economic Zone

24. (a) The selected developer shall submit a detailed development project for the establishment of a Special Economic Zone with FORM-A to the Management Committee within 6 months from the date of nomination.
 - (b) The Management Committee shall submit the detailed project proposal for the establishment of a Special Economic Zone to the Central Working Body within 15 days from the date of receipt from the developer.
 - (c) The Central Working Body shall check and submit the project proposal to the Central Body within thirty days from the date of submission of the Management Committee;
 - (d) The Central Body shall decide whether it approves or denies such development project within thirty days from the date of submission by the Central Working Body.
25. The Management Committee shall issue permit with FORM-B to the selected Developer, together with stipulated conditions, after the Central Body had approved the selection.
 26. If the selection has been done more than one individual developer to carry out the development of the Special Economic Zone, each selected developer shall carry out for the development of each designated part of the Special Economic Zone.
 27. The developer shall perform its best efforts in the development works in the time, which is limited by the Management Committee.
 28. In issuing the permit to the Developer according to these rules, the relevant Management Committee may allow the type of business by the approved procedures to begin the business.

29. The developer shall apply to the Management Committee for the extension of the permitted period of the business with FORM-C. The Management Committee shall scrutinize as may be necessary and give the extension, if it is found that it is appropriate to extend, within 15 days from the date of receipt of application prescribed the period of it. . The permit shall be informed and recorded to the nearest Central Working Committee meeting.
30. The developer shall submit a quarterly report with FORM-D to the Management Committee about the progress of development of the Special Economic Zone.

Chapter VI

Demarcation of Zone in the Special Economic Zone

31. Export-oriented manufacturing businesses shall be allocated as a priority in a Free Zone. Supporting industries supplying directly to the export-oriented manufacturers may also be allocated in the Free Zone or Free Zone Activity may be defined.
32. The Management Committee may separately allow the suitable service industries among the service businesses prescribed in the rule 54 to be allocated in the Free Zone or Free Zone Activity may separately be defined. .
33. The developer shall fence a Free Zone with the minimum height of two hundred and forty centimeter together with the minimum height of sixty centimeter barbed wire fencing on top of the wall or as separately specified by the Customs Department.
34. An entry and an exit of Free Zone in above rule 33, shall be placed be as designated by the Customs Department and be fully monitored by the customs officers who are attached to the One Stop Service Center (OSSC) of the relevant Special Economic Zone.
35. Only the persons authorized by the Management Committee shall enter into the Free Zone prescribed in rule 33.

36. The Management Committee shall not allow any retail business and services business to situate in Free Zone ,except some services which are, as required, allowed to provide to the investors in the Free Zone prescribed in rule 33.
37. The Management Committee may allow any other manufacturing Business based on domestic market, within the Promotion Zone.
38. If there is no demarcation of the Free Zone and Promotion Zone in the Special Economic Zone, then the other businesses except Free Zone Activities shall be deemed as the businesses within the Promotion Zone.

Chapter VII

Boundary Demarcation and Land Use

39. An establishment of the Special Economic Zone shall have a contiguous area of at least one thousand hectares, but not exceeding twenty thousand- five hundred hectares.
40. The developer or the investor shall apply the permission to rent or use the land required for the development of the Special Economic Zone to the relevant Management Committee.
41. The Developer shall not have the right to sell the land in the Special Economic Zone.
42. The Developer shall give the right to use land to the Investors who have the permit.
43. The Developer or the Investor shall have the right to sublease the land which they are entitled to lease or use in accordance with the prescribed terms and conditions of the Land Lease Agreement.
44. The Developer shall transfer the land in terms of sub-lease or any other way only to a person or an entity holding a valid permission issued by the Management Committee.

45. The Developer or Investor may sell, mortgage, lease, exchange and give the right to use land to the other party within the permitted period. In this regard:
- (a) the Developer shall obtain approval of the Central Body with the form specified by the Management Committee;
 - (b) the Investor shall obtain the permit of the Management Committee.
46. The vacant land within the Promotion Zone, which has no infrastructure, such as, roads in the zone, water supply, electricity supply, etc., shall not be leased to any other person for either business or social purposes such as schools, hospitals, hotels, recreation and entertainment related residential and business complexes. Provided that the development of this area conducted by a Sub-Developer which is a partner or contractor of the Developer selected through tender by the Developer shall not be applied with this restriction.

Chapter VIII

Submission of Proposal

47. An investor or promoter who wants to obtain the investment permit within the Special Economic Zone shall directly apply with 5 copies of application FORM-E to the relevant Management Committee of Special Economic Zone. FORM-E shall be submitted together with the detailed data and information of the followings:
- (a) Lay out plan of land and industrial area in the Special Economic Zone;
 - (b) water supply system;
 - (c) electricity installation system;
 - (d) building construction plan;
 - (e) mechanical and machinery installation plan;
 - (f) environmental conservation plan;
 - (g) detailed investment proposal of the investment business;
 - (h) other requirements.

Chapter IX
Issuance of Permit

48. The Management Committee shall:
 - (a) decide to permit or permit with remarks or reject the proposal within thirty days from the date of receipt of the investment proposal together with the required documents and facts prescribed in the Myanmar Special Economic Zone Law and the Myanmar Special Economic Zone Rules;
 - (b) inform in writing with the reason to the applicant when the proposal is permitted with remarks or rejected ..
49. The decision of the Management Committee in respect of the issuance of permit shall be final and conclusive.
50. If the proposal is permitted, the Management Committee shall issue the permit with FORM-F. The permit shall include the terms and conditions stipulated by the Management Committee with regard to trading, warehousing, selling of the goods to be produced and product within the Domestic Tariff Area.
51. The Management Committee may allow doing the following business within the Special Economic Zone:
 - (a) other businesses except the restricted businesses;
 - (b) trading goods after storage to distribute in accordance with the instruction of the cargo owner with or without trademarks by the accountability of the overseas supplier, packaging and repackaging of the goods without producing;
 - (c) importation and storage of goods which must be refrigerated;
 - (d) complete Knock-Down and Semi Knock-Down by importing the materials or semi fitted materials according to the production procedure.
52. The following Businesses shall not be allowed in the Special Economic Zone:
 - (a) manufacturing and fixation business of arms, weapons and explosives, and services rendering for military purposes;

- (b) production, packaging and services business hazardous to the environment and ecosystem;
- (c) the waste management services to abroad;
- (d) production and packaging of psychotropic substances and narcotic drugs;
- (e) importing or production and packaging of poisonous chemicals, other goods including hazardous radioactive substances and agricultural pesticide and insecticide which are prohibited by International Regulations or the World Health Organization, which affect the public health and environment;
- (f) business utilizing the industrial wastes imported from abroad;
- (g) production and packaging business of prohibited substances which may destroy ozone layer;
- (h) production, packaging and sale of goods which are made of asbestos;
- (i) production and packaging of polluted substances hazardous to the public health and environment.

53. The proposed businesses which implicate the following facts shall not be allowed:

- (a) reuse of plastic or solid wastes which are not complied with the international standards of recycling and waste management systems;
- (b) reuse of used clothing and garments or used clothing, used textiles materials and garments, industrial wipers shoddy wool, yarn, blankets and shawls;
- (c) repairing or renovating to be used in local after imported used materials;
- (d) exportation and importation of chemicals, organisms, materials industrial machinery and technology which are inconsistent with the provisions in the existing Laws, rules and regulations of the Union;

Chapter X

Types of Conductible Investment Businesses and Requirements

54. The following investment businesses may be carried out in the Special Economic Zone:
- (a) trading;
 - (b) infrastructure development business, including real estate, hotel and sales centre;
 - (c) technology and design;
 - (d) warehousing and logistics services;
 - (e) research and development services;
 - (f) computer software programming services;
 - (g) information services such as venues for business meeting and conferences, information and data processing portal, human resource services, insurance claiming service, data portal for legal facts, medical records, records of financial transactions, remote control service, tax and revenue records, supporting/technical assistance centres, websites service, computer effects and graphic designs;
 - (h) distribution service including wholesales and retail
 - (i) financial service;
 - (j) professional service except legal service and accounting service;
 - (k) services for short term and long term lease;
 - (l) other services including consultancy service;
 - (m) construction and other related services;
 - (n) education services;
 - (o) services relating to environmental conservation;
 - (p) hospital and health services;
 - (q) tourism and other related services;
 - (r) recreation and entertainment services;

- (s) culture and sports services;
 - (t) transportation and related services.
55. In order to obtain the permit from the Management Committee, the investor shall:
- (a) conclude the land lease or land use agreement when the approval of Management Committee and written approval for land use to invest from the developer are received;
 - (b) send a copy of land lease agreement to the Management Committee, within six months after receiving the permit. The Management Committee may revoke the permit when the investor fails to do so;
 - (c) perform in accordance with the standards of environmental conservation and control of air pollution if it is required;
 - (d) submit the evidence of residency in the country, passport and other required documents of directors of his company or persons from the business partner organizations to the Management Committee;
 - (e) submit the tax clearance certificate issued by the relevant department or audited balance sheet for last three following years of the company.
56. In respect of service businesses to the overseas enterprises:
- (a) the foreign enterprises shall supply free of charge for raw materials, including capital goods, consumer goods, semi-processed goods, spare parts, and semi-finished goods;
 - (b) businesses may establish with the loan system or lease system for the capital goods;
 - (c) the foreign entrepreneur may carry out and instruct in accordance with requirement for the importation of finished products or transferred the products to the bonded warehouse before customs clearance has been done;

- (d) the business has right to receive the convertible foreign currency from the organizations in abroad for the production of their products;
 - (e) the business shall keep the personal account and separate accounts for production and services.
57. The Investor shall fulfill the following requirements in order to obtain the permit from the Management Committee for the investment in the Special Economic Zone.
- (a) manufacturing Business in a Free Zone or manufacturing Free Zone Activity shall export at least seventy-five percent of the total production to the foreign country. The required minimum paid up capital should be equivalent to seven hundred and fifty thousand United States Dollars;
 - (b) a supporting Free Zone Activity shall supply at least 80 percent of the total production to the exporting businesses. The required minimum paid up capital should be equivalent to three hundred United States Dollars;
 - (c) services which related with export including trading business and supplying business within the free zone shall have minimum paid up capital equivalent to fifty hundred United States Dollars ;
 - (d) the International trade exhibition center within a Free Zone shall have minimum paid up capital equivalent to ten million United States Dollars;
 - (e) manufacturing industries within a Promotion Zone shall have minimum paid up capital equivalent to three hundred United States Dollars;
 - (f) service industries within a Promotion Zone shall have minimum paid up capital equivalent to three hundred United States Dollars;
 - (g) business for real estate development within a Promotion Zone, including shopping malls, condominiums, residences, etc. shall have minimum paid up capital equivalent to five million United States Dollars;
 - (h) hotels within a Promotion Zone shall have minimum 3-star level;

- (i) investment of training schools, vocational training schools and educational institutions within a Promotion Zone shall have minimum paid up capital equivalent to two million United States Dollars;
 - (j) hospitals within a Promotion Zone shall have minimum one hundred beds with modernized treatment, high technology examination equipments and machinery, laboratories and operation theatre;
 - (k) if livestock industries are carried out in a Promotion Zone, he shall obtain advice from the Management Committee;
 - (l) if fishery industries are carried out in a Promotion Zone, he shall have minimum one hundred hectares of land area;
 - (m) if forest products industries are carried out in a Promotion Zone shall have minimum space of five hundred hectares for the establishment of forest plantation;
 - (n) if agro-based products industries are carried out in a Promotion Zone, it shall be carried out with the permission of relevant Management Committee.
58. In coordination with the investors, the relevant Management Committee shall stipulate other requirements for business other than specified in rule 57. The relevant Management Committee may, according to the sub-section (f) of section 11 of the Myanmar Special Economic Zone Law, issue notifications, orders, directives and procedures in accordance with the international standard in the area of trade, environmental conservation, investment and business to be abided by the investor.
59. The investment businesses within the Free Zone shall annually submit audited report of the auditor appointed by them with regard to the direct or indirect sales and services at the end of the financial year to the Management Committee to monitor to be in line with clause (a) and (b) of rule 57.

60. The investment business which is absent to submit the audited report as per rule 59 for any financial year is not entitled to enjoy exemptions and reliefs for that absent financial year.
61. The investor shall apply to the Management Committee at least four weeks in advance before the end of financial year if the type of business has been changed from the Free Zone Activity to Promotion Zone Business.

Chapter XI

Procedures for Establishment of Businesses

62. The Management Committee may allow the investment proposal for the various productions of finished goods from raw materials, enhancement of production capacity and change of type of manufacturing goods or services if it is in line with rule 55.
63. The Management Committee may allow the submission of the investor to transfer business, based on the proven ability of upcoming investor who takes over the assets and undertakes the liabilities of the existing investment business.
64. An investor holding the permit issued under rule 50 shall be entitled to set up a Business either in a Free Zone, or a Promotion Zone or other Zone or both Zones with the permission of the Management Committee.
65. The Investor shall commence the permitted business operation within one year after getting the permit and shall inform the date of commencement of the commercial operation or the production of goods to the Management Committee.
66. The Investor shall request the extension of construction period to the Management Committee not later than thirty days before the expiry date of stipulated period if the business operation may not be commenced within one year. The Management Committee may grant extension for appropriate period

not longer than two years, if it thinks the explanation of the request credible reason.

67. The permitted term will be expired if the Business has not commenced productions or services activity within the date of expiry of stipulated period as per above rules 65 and 66. The permit may be obtained throughout the period of business operation if the Business has commenced its business operation within the stipulated period of time as per rules 65 and 66.
68. The investor shall open and maintain separate accounts for businesses operated in both Free Zone and Promotion Zone.

Chapter XII

Exemption and Relief

69. The investment business permitted by the Foreign Investment Law, Myanmar Citizen Investment Law and other investment laws shall not be entitled to enjoy the exemptions and relief stated under the Myanmar Special Economic Zone Law if the said investment business has been transferred to the Special Economic Zone, enjoyed period of all exemptions and reliefs under such laws. If the period of exemptions and relief allowed under the Myanmar Special Economic Zone Law is longer than the period of other investment laws, the balance period shall be enjoyed by the investor.
70. The Investor shall be entitled to enjoy the exemptions and relief as per the Myanmar Special Economic Zone Law for the investment expansion of same or different business in the Special Economic Zone without transferring the existing investment business permitted under the Foreign Investment Law, Myanmar Citizens Investment Law, and other Investment Laws.
71. An Investor and a Developer shall maintain proper list of commodities which are imported from Domestic Tariff Area with specific quantity and value for a yearly basis. Such accounts shall clearly include quantity and value of the

goods imported from Domestic Tariff Area, consumption or utilization of such goods, production of goods, waste or scrap or remnants, the quantity of export, sales and supply of manufactured goods manufactured the quantity of export, to abroad or sales and supply to the Promotion Zone or the Domestic Tariff Area of finished product and balance in stock.

72. The Investor and the Developer shall maintain such records prescribed in rule 71 for a period of seven following years starting from the end of relevant financial year.
73. An Investor engaged in both trading and manufacturing activities shall maintain separate records for each business activity respectively.
74. The Investor shall submit the Quarterly Performance Reports with FORM-G to the Management Committee.
75. The Developer shall submit the quarterly report on import and procurement of goods from the Domestic Tariff Area, utilization of the same and the stock in hand with FORM-D to the Chairman of the Management Committee and the Specified Customs Officer.
76. Businessmen in a Promotion Zone or other supplying business in a Domestic Tariff Area, when they export or sell the finished or semi-finished goods produced by themselves using imported raw materials to a Business in a Free Zone or a Free Zone Activity or Developer, shall submit the triplicate copies of the assessed export declaration which is under tariff reduction scheme and shall attach the recommendation letter of the relevant Specified Customs Officer. The import tax for the imported raw materials shall be paid the balance after deduction of prepaid duties.
77. A Developer or a business in the Free Zone or Free Zone Activity shall repay exemptions and relief enjoyed tax benefit of duty free and other tax free or exemption or tariffs reduction upon the goods which are imported when such goods are not used for their businesses.

Chapter XIII

Settlement of Dispute

78. If any dispute arises between Developers and Investors, or Developers and the relevant Management Committee, or Investors and the relevant Management Committee, or between Developers, or between Investors in respect of the investment business, arising dispute shall be settled amicably.
79. If such dispute may not be settled in accordance with this rule 78:
 - (a) it shall be dealt with in accordance with the dispute settlement mechanism stipulated in the relevant agreement;
 - (b) if the dispute settlement mechanism is not stipulated in the relevant agreement, it shall be dealt with in accordance with the relevant existing laws of the Republic of the Union of Myanmar.
80. If dispute arises between the Developer and Investor, they shall inform and submit with expressing the cause of dispute to the relevant Management Committee.
81. The Developer or Investor may establish the documents issued by the Management Committee as evidence, if necessary, in the settlement of the dispute. If it is necessary for other evidence related to the Management Committee, they may apply to it for such evidence.
82. The Developer or the investor shall submit and request the permission to the Management Committee, if it arises that any staff from the Management Committee Office is to appear before the court as witness.

Chapter XIV

Regulations relating to Duty and Tax

83. The commercial tax or value added tax must be paid to the Department of Internal Revenue of One Stop Service Center (OSSC) before the 10th waxing of a month commencing from the expiry of the exemption.

84. Where a non-resident foreigner has no incorporated business in Myanmar but has ownership of business and intellectual property right in the Special Economic Zone:
- (a) a business or a developer who makes the payment to the nonresident foreigner shall deduct the withholding tax as prescribed under the existing Income Tax Law and shall pay it to Department of Internal Revenue of One Stop Service Center (OSSC) by the name of recipient;
 - (b) the above withholding taxes are final levy.
 - (c) a Business or a Developer who makes the payment to a non-resident foreigner shall deduct the withholding tax from rental fees and other similar incomes as prescribed under the existing Income Tax Law and shall pay it to the Department of Internal Revenue of One Stop Service Center (OSSC) of the Special Economic Zone by the name of recipient.
85. The Investor or Businesses shall deduct the income tax from the salaries and other incomes of foreign officers , managers, staffs and workers employed in the Special Economic Zone as provided by the existing Income Tax Law, with the currency stipulated by the Central Body, and pay it to Department of Internal Revenue of One Stop Service Center (OSSC) of the Special Economic Zone. An income tax statement of monthly deductions shall be furnished to Department of Internal Revenue of One Stop Service Center (OSSC) within 7 days from the date of deductions. The annual statement of salaries paid to employees shall be submitted within 3months after the end of financial year, namely April, May and June.
86. Withholding Tax, other than the salaries, shall be paid to the Department of Internal Revenue of One Stop Service Center (OSSC) of the Special Economic Zone, in accordance with the regulations provided in the Income Tax Law.
87. According to the section 49 of the Myanmar Special Economic Zone Law, a custom officer of department of internal revenue of the One Stop Service

Center (OSSC) of the Special Economic Zone scrutinize application of the Investor or the Developer relating to the paid income tax on profit accrued from the Authorized Operations and may accept it to exempt tax for dividends of their shares.

88. When any Business and a Developer in a Special Economic Zone lose, the losses shall be set off and carried forward from their income up to five following financial years, if a Certified Public Accountant authenticates such losses.
89. According to the section 52 of the Special Economic Zone Law, a business within the Free Zone or Free Zone Activity is permitted to deduct the actual expenses for providing vocational or management training to the skilled workers, unskilled workers, managerial staffs and other employees from the taxable income. The documents in respect of training expenses shall be submitted as evidence to a custom officer of Department of Internal Revenue of the One Stop Service Center (OSSC) of the Special Economic Zone.

Chapter XV

Bank and Insurance

90. The entrepreneur or the Developer doing business transactions within or outside the Special Economic Zone with Myanmar Currency (Kyat) shall also have the right to open Myanmar currency (Kyat) account at any Authorized Dealer Bank.
91. A Developer or an Investor may transfer capital and net profit in accordance with the provisions of the Foreign Exchange Management Law and rules.
92. Insurance companies owned by the citizens or the foreigners, or jointly owned by the citizen and the foreigner may set up their representative offices and insurance businesses in a Promotion Zone. It can also open representative

offices and insurance business as other business if there is no demarcation as a Free Zone and a Promotion Zone.

93. The said representative offices and insurance businesses are allowed to sell their insurance policies to the Investors, Developer and other related businesses within the Special Economic Zone in accordance with the Myanmar Insurance Law, rules, and orders and directives of the Supervising Board of Myanmar Insurance Enterprises.
94. The foreign insurance company (branch) within the Special Economic Zone may appoint auditor, lawyer, examiner and negotiator for calculation of the compensation at the outside of the Special Economic Zone.
95. The insurance companies which are going to set up their branch representative offices and insurance businesses in the Special Economic Zone shall be in line with the standards and qualification stipulated by the Supervising Board of Myanmar Insurance Enterprise.
96. The insurance company which is in line with the standards and qualification stipulated by Supervising Board of Myanmar Insurance Enterprise and going to set up and carry out the representative offices and insurance businesses in the Special Economic Zone shall apply with FORM-E to obtain the permission of the Management Committee.

Chapter XVI

Movement of Goods into a Free Zone or for Free Zone Activities

97. Any goods imported or procured from the Domestic Tariff Area, required for the Authorized Operations, shall be admitted into a Free Zone subject to the following conditions, namely:
 - (a) the goods imported or procured from the Domestic Tariff Area shall be brought into the premises of Investors or designated place within the

Special Economic Zone. Subject to the type of transaction, the goods may be sent and carried out to sub-contractor for outsourcing;

- (b) the goods unnecessary for carrying out the Authorized Operations shall not be allowed into a Free Zone without the permission of the Management Committee. The reasons shall be recorded if the Management Committee has permitted;
 - (c) the list of goods shall, prior to importing, be submitted to register at the Management Committee;
 - (d) hazardous goods shall be placed at the specific area designated by the Management Committee or at the installation area within the premises of the Investor.
98. The documents relating to admission of the goods into and out of the Free Zone shall be submitted to the relevant Authorized Customs Officer.
99. The goods imported or procured from the Domestic Tariff Area by the Free Zone Activities shall be applied to the provisions in the rules 97 and 98.
100. The Investor or the Developer shall use the goods admitted into a Free Zone only for carrying out the Authorized Operations. If the admitted goods are utilized for other business other than for the Authorized Operations or the Investor or the Developer fails to abide by the provisions for the goods under these rules, duty shall be chargeable on such goods as if these goods have been cleared for domestic use.
101. In the case of a Business in a Free Zone is unable to utilize the goods imported or procured from Domestic Tariff Area, it may export the goods to the foreign country or sell such goods to other Business in a Free Zone without payment of duty, or as necessary, dispose of such goods on payment of applicable duties and other taxes on the basis of an import declaration form submitted by the buyer from Domestic Tariff Area. .

102. The provisions described in the rules 100 and 101 shall be applied only to the goods imported or procured from the Domestic Tariff Area with duty free.
103. The Business in a Free Zone or Free Zone Activities shall maintain the account and balance of the entire goods with duty free by means of imported or export or sales or supplies in Domestic Tariff Area or transfer to other Business in a Free Zone or Free Zone Activities. .
104. The Business in a Free Zone or the Free Zone Activities shall regularly maintain records for the movement of goods with duty free and shall submit when the relevant Authorized Customs Officer has officially requested for inspection.
105. The investor shall utilize, export and disposed of the goods admitted to a Free Zone Activity within the validity period of the permit issued to such Free Zone Activity or in the case of a Developer within a period of 3 years or extended period as may be allowed by the Management Committee.
106. In the case of failure to utilize or export or dispose of the goods within the period allowed under rule 105, payment of duty of such goods shall be liable, considered as if such goods had been removed to Domestic Tariff Area, starting from the date of expiry.
107. The Management Committee may allow Businesses in a Free Zone to utilize or export or dispose of the goods in accordance with their desire in accordance with stipulation.
108. The duty-free goods admitted into a Free Zone or services, manufactured or semi-manufactured goods, may be transferred or borrowed to an Investor or Developer within the same Free Zone or in another Free Zone or to a Free Zone Activities without payment of duty, subject to the following conditions, namely:
 - (a) an Investor or a Developer who is the transferred or lessee shall be an authorized business operator to receive or purchase the duty-free goods;
 - (b) an Investor or a Developer who is the transferred or lessee shall maintain the proper list of transferred or borrowed goods;

- (c) the transferred goods other than the raw material procured from Domestic Tariff Area shall be accounted as an import by the receiving Investor or Developer while the value of the same shall be deducted from the import of the transferring Investor or Developer;
 - (d) transfer or borrowing of goods to Investors or Developers in other Special Economic Zone or to Free Zone Activities shall be allowed with the prior permission of the relevant Authorized Customs Officer in accordance with the stipulation.
109. After informing in advance not less than 7 days to the relevant Authorized Customs Officer an Investor in a Free Zone or Free Zone Activities may destroy goods, including Capital Goods procured from Domestic Tariff Area or goods imported or goods manufactured or produced by the Investor, including rejects or waste or remnants within the Special Economic Zone without payment of duty.
110. The Investor shall undertake the matters of environmental conservation as required for such destroying of the goods.
111. Where it is not possible to carry out destruction of goods within the Special Economic Zone as prescribed at the rule 109, the process shall be carried out, with the permission of the relevant Authorized Customs Officer, in the presence of the Specified Customs Officers outside the Special Economic Zone.
112. When it is not possible in the presence of Authorized Customs Officer at the site of destruction, the Specified Customs Officer may allow the Investor to adduce the alternative means that such destruction has been properly carried out.
113. The precious stone or the part of precious stone or the precious metals shall not be destroyed.
114. If a Business in a Free Zone or a Free Zone Activity is consistent the following, they may be allowed to make sub-contract its part of production or any

production process, to the Business in the Domestic Tariff Area or Business in a Free Zone or Free Zone Activity to be transferred without any further permission of the Specified Customs Officer of customs section of One Stop Service Center (OSSC) in the Special Economic Zone, based on annual account;

- (a) the finished goods requiring further processing or semi-finished goods taken outside a Free Zone for sub-contracting shall be brought back into the Business within one hundred and twenty days or within the period extended by the relevant Specified Customs Officer. The reasons for such extension shall be recorded in writing;
- (b) a business shall bring back molds, jigs, tools, fixtures, drawings taken with the permission of the relevant Specified Customs Officer to the premises of sub-contractor(s) before expiry of such subcontracting agreement to the premises of the original business.. ;
- (c) raw materials, components and consumables except fuel may be sent along with these goods, or separately.

115. The Businesses engaging trading or warehousing shall not be allowed to do sub-contracting of production or production process in the Domestic Tariff Area.

116. Based on the document expressing list of materials and the incoming and outgoing under sub-contract, the movement of goods and the record of quantity and value of the materials to be used to produce each and every product shall be kept in accordance with the format designated by the Management Committee.,

117. The Management Committee may permit subcontracting of part of the production process to be done in abroad and in such cases, the goods may be exported abroad from the premises of sub-contractor subject to following conditions, namely:

- (a) sub-contracting charges shall be declared in the export declaration forms, invoices and other related documents;
 - (b) the profit of export shall be fully repatriated in favor of the original Business.
118. An Investor or a Developer or their authorized representative, , may also temporarily remove the goods procured or imported duty free by them for their authorized operations, to a place in the same Domestic Tariff Area or a business in another Free Zone or Free Zone Activity , for a sub-contracting process, with prior permission of and subject to the conditions prescribed by the Management Committee.
119. A Business in a Free Zone may take goods, including finished goods requiring further processing or semi-finished goods to the premises of subcontractor.
- 120 With regard to the part of the production process:
- (a) the Investor shall also, if necessary, apply for sub-contracting permission at the time of initial application for development project approval and based on such initial approval to the Specified Customs Officer attached to the One Stop Service Center (OSSC) in the Special Economic Zone, he shall scrutinize and permit subcontracting of part of production process or part of the production;
 - (b) where the permission for subcontracting has not been taken at the time of project approval or a new permission is sought, the Investor shall file an application containing the name and address of the subcontractor, details of the processes to be carried out at the sub contractor's premises in the Domestic Tariff Area and self-certified input and output ratio for the said processes;
 - (c) after examination of details under sub Rule (b), the Specified Customs Officer attached to the One Stop Service Center (OSSC) in the Special

- Economic Zone may grant annual permits for any production process or sub-part of the business, executed subcontracting;
- (d) moving raw materials, consumables and components, except imported or domestically purchased fuel into the Domestic Tariff Area for subcontracting, the Business in a Free Zone shall furnish the bank guarantee to cover the duty foregone on such materials being taken out for subcontracting to the Specified Customs Officer attached to the One Stop Service Center (OSSC) in the Special Economic Zone. Provided that bank guarantee shall not be required for the Business in a Free Zone is not the black list within two years.
 - (e) after receipt of goods from the subcontractor, the relevant Authorized Customs Officer may check either at the subcontractor's premises or at the gate of the Free Zone for the purpose of verification of goods which were sent and received.
 - (f) after executing subcontract, the Authorized Customs Officer at the Free Zone shall inspect the identification marks of the goods for verification of the goods at the appointed area near the gate when received back from the subcontractor. Where very important items are sent out for subcontracting, based on the background or past performance of the Investor, the Specified Customs Officer attached to the One Stop Service Center (OSSC) in the Special Economic Zone shall, if required, keep sample.
 - (g) the goods sent out for subcontracting shall be returned to the Investors within one hundred and twenty days from the date of movement or within such period as may be extended by the Specified Customs Officer attached to the One Stop Service Center (OSSC) in the Special Economic Zone. The reasons for granting such extension shall be recorded in writing;

(h) The Specified Customs Officer shall carry out to collect the customs duties upon the goods from the subcontractor which are not brought back within the designated period of time to the Investor.

121. The relevant Specified Customs Officer may allow the Business in a Free Zone to export the finished goods directly from the premises of subcontractor. In giving such permit:

- (a) the subcontractor shall be a person who is doing Free Zone Activity;
- (b) export of finished goods shall be done directly from the premises of the subcontractor. It is not allowed to export through third party;
- (c) sample of goods exported from the premises of subcontractors shall be sent by the subcontractor under sealed condition, to the Specified Customs Officer for inspecting to compare to the original sample goods;
- (d) the manifest for duty-free goods shall be processed at the port of export as in the case of normal export and the name of the Investor and subcontractor shall be entered into the such manifest;
- (e) goods which are inspected and sealed by the Authorized Customs Officer may be allowed to export from premises of the subcontractor. In the case of subcontracting to be done in abroad, the goods shall either be returned to the original business or may be sold to buyers in the country of such subcontractors or any third country.

122. Waste, scrap or remnants generated during process at the premises of subcontractors may either be returned to the Investor or may be cleared on payment of duty as if the said waste or scrap or remnants have been cleared by the Investor or may be destroyed at the premises of subcontractors according to the instruction of the Specified Customs Officer.. Provided that where the premises of subcontractors are located abroad, the scrap, waste or remnants generated at the premises of subcontractors may either be returned to the Investor or may be disposed of at abroad.

123. A Business in a Free Zone may execute subcontract to do subcontracting for part of the production or production process in another Business within the same Free Zone. Raw material imported or procured by the Investor to manufacture the Capital Goods may be transferred to another Investor for use in manufacturing or fabricating.
124. The Developer or his representative, shall follow the same procedure for subcontracting by a Business in a Free Zone prescribed in the rule 120 for subcontracting in Domestic Tariff Area or a Business in other Free Zone or a Free Zone Activity.. The Bank Guarantee covering the duty foregone on the materials sent for subcontracting shall be requested only in case of temporary removal of goods by the contractor from the Free Zone.
125. When a Business in a Free Zone or a Free Zone Activity undertakes of subcontracting for export on behalf of exporter in the Domestic Tariff Area, on the basis of annual permission from the Specified Customs Officer:
- (a) all the raw materials including semi-finished goods and consumables, including fuel shall be supplied by the exporter from the Domestic Tariff Area;
 - (b) finished goods shall be exported directly by the Business in a Free Zone or a Free Zone Activity on behalf of the exporter from the Domestic Tariff Area;
 - (c) the name of the exporter from the Domestic Tariffs Area and name of the Business in the Free Zone or the Free Zone Activity shall be mentioned together with the export document;
 - (d) the exporter from the Domestic Tariff Area has the right to refund of duty paid on the inputs by way of duty drawback.

Chapter XVII
Import Procedures

126. The Business in a Free Zone or a Free Zone Activity or a Developer shall submit in advance the list of goods to be imported to the Management Committee, although the import license need not be applied for those imported goods. Such import list may be changed according to market requirements from time to time.
127. Business in a Promotion Zone or Other Activity shall submit in advance a list of goods to be imported which are required for the authorized business operation to the Management Committee. No import license shall be required for the import of such entered goods.
128. Business in Promotion Zone or other Activity shall apply import license for the goods which are not entered in advance at the Management Committee. The Management Committee shall ease the conditions of import license.
129. In coordination with the relevant department, the Management Committee shall issue notification in advance for import of goods in the certain special case in which shall be required to be prohibited according to the international suggestions. and shall also issue permit and license necessary for importation of such goods at One Stop Service Center (OSSC).
130. Import procedures in the Special Economic Zone shall be carried out with the Myanmar Automated Cargo Clearance System (MACCS) after the “MACCS” is introduced.
131. An Investor or Developer may import goods directly to the Special Economic Zones through the following modes of supply:
 - ports or airports;
 - inland customs posts;
 - inland container depots;
 - foreign post offices;

authorized couriers; or

a person who is authorized by the Business.

132. Direct transfer by means of full loaded container or combined container load or other means of packaging of goods imported through ports or airports or inland customs posts or inland container depots shall be allowed from such port or airport or inland container depot or inland customs post to the Special Economic Zone.
133. The Investor or Developer may also procure goods required for the Authorized Operations from the bonded warehouses designated in the Domestic Tariff Area or International Trade Exhibitions held in Myanmar.
134. The goods imported by Business in a Free Zone or Free Zone Activity or Business in Promotion Zone or other Activity or Developer shall be allowed to be transshipped from the port or airport to the Special Economic Zone without checking by the Customs Authorities at the relevant port or airport. Provided that such goods may be inspected when there is specific information or intelligence information.
135. The goods imported by an Investor or Developer shall be directly transshipped to the Special Economic Zone only by the registered logistic firm or its agent.
136. The Investor shall abide by the following procedures for the importation of goods and services:
 - (a) the Investor shall submit the 5 copies of import declaration with the stamped namely “Special Economic Zone Cargo” along with Bill of Lading or Airways Bill, invoice and packing list to the Authorized Customs Officer;
 - (b) if the Import Declaration is not assessed on the date of application , the goods shall be allowed to be transferred to the Investor on the basis of the registered Import Declaration, after an endorsement to this effect has been made by the Authorized Customs Officer;

- (c) if the goods including Capital Goods are supplied free of cost or on loan or lease basis, the Import Declaration shall be entered into jointly the name of the Investor and the supplier;
- (d) if the goods including Capital Goods are supplied on loan or lease basis by a domestic supplier, the Import Declaration shall be entered into jointly the name of the Investor and domestic supplier;
- (e) the registered Import Declaration shall be submitted to the Authorized Customs Officer of the Special Economic Zones. If finished, it shall be deemed to be permitted for transfer of goods to the Investor;
- (f) in case of sealed container, the goods shall be transferred to a Special Economic Zone without customs escort after verification of the seal on the basis of registered or assessed Import Declaration;
- (g) in case of other cargo, goods shall be allowed to be transferred to a Special Economic Zone on the basis of registered or assessed Import Declaration, according to the transshipment procedure;
- (h) the transshipment permission shall be stamped on the fifth copy of the Import Declaration without separate documents or transshipment bond for transshipment to file ;
- (i) on arrival of cargo either in the form of container or sealed truck, seal on the container or the truck, as the case may be, shall be verified by the Authorized Customs Officer in the Special Economic Zone;
- (j) on arrival of cargo either in the form of combined container load or other form of packaging, verification of marks and numbers of the container shall be carried out as appropriate by the Authorized Customs Officer at gate of the Special Economic Zones or a designated place in the Special Economic Zone;
- (k) if verification of marks and numbers of container may not be undertaken at the gate of the Special Economic Zone or a designated place of the

Special Economic Zone the goods shall be allowed to send directly to the premises of the Investor and verification shall be undertaken at those places;

- (l) the Investor shall submit fifth copy of Import Declaration bearing endorsement of the Authorized Customs Officer that the goods have been received in the Special Economic Zone to the customs officer in charge of the airport or port or inland container depot or post office or warehouses of the custom office, as the case may be, within forty-five days from the date of clearance of goods. When the Investor fails to do so, the officer in charge of such airport or port or inland container depot or inland customs post or post office or warehouse of custom office, as the case may be, shall notify to the Specified Customs Officer in the relevant Special Economic Zone for levying duty from the Investor in a Free Zone, if any;
- (m) after endorsement regarding verification of mark of product and quantity in case of combined container load or in other form of packaging or inspection of seal in the case of full loaded container or sealed truck by the Authorized Customs Officer attached to the One Stop Service Center (OSSC) of the relevant Special Economic Zone, such goods shall be transferred to the investor. It shall be deemed the completion of the customs procedure with regard to the importation of cargo when the investor receives the goods.

137. Any inspection of cargo shall be carried out at the premises of the investors if the Customs Department considers it is required to check.

138. Notwithstanding contained in the provisions under the rule 136, the Customs Department has the right to exercise the Post-Clearance Audit (PCA).

139. Investor in a Promotion Zone or Free Zone Activity or any Other Activity shall follow the same customs clearance procedures as applicable to the goods imported or procured from Domestic Tariff Area by the Developer.
140. The Developer may import or procure goods and services from outside of the Special Economic Zone, enjoyed exemptions and reliefs for the Authorized operations. .
141. After getting the permit for the Authorized Operation, the Developer or the Investor, shall apply permit to the Management Committee for the list of goods and services, including construction materials, heavy machinery, equipments and machines necessary for the Authorized Operations.
142. The Developer or an Investor shall declare the warehouse within the Special Economic Zone to the Specified Customs Officer.
143. In case of the storage has been done outside of the Free Zone but within the Special Economic Zone, safeguard measures necessary for security comply with as stipulated by the Specified Customs Officer.
144. The developer shall keep the goods imported or procured from outside of the Special Economic Zone for Authorized Operations at the designated area to be inspected by the Authorized Customs Officer before such goods are brought into use.
145. The Developer shall maintain a proper account of the import or procurement, consumption and utilization of goods and submit report to the Management Committee with FORM-D once in every three months.
146. The Developer shall move goods from the Special Economic Zone to the Domestic Tariff Area only after payment of concerned duty except the permission of the Specified Customs Officer.
147. The Developer shall apply the procedures applicable to the Investor in a Free Zone on import or procurement of goods and services, their admission, clearance of goods. However, Developer may move the goods imported or

procured from Domestic Tariff Area to any place of the Special Economic Zone for carrying out the Authorized Operations.

148. The Management Committee shall monitor the utilization of the goods imported or procured from the Domestic Tariff Area by the developer.
149. A Developer may send or transfer components and the capital goods, including construction equipment which will no longer use or are surplus to another Developer or Investor after obtaining the permission of the Management Committee.
150. The Investors in a Free Zone may import, with the exemption of either custom duties or other taxes or both, precious goods namely gold or silver or platinum or gem and jewellery from abroad through an authorized representative. When such goods are imported,
 - (a) the authorized representative bringing the precious goods shall declare with duplicate copies of the import declaration form to the authorized officer at the airport arrival hall;
 - (b) the authorized representative shall hand over the invoice and packing list of the goods indicating name and address of the importing Investors to the Authorized Customs Officer at the airport for detention in the airport warehouse with the receipt;
 - (c) the customs officer at the airport shall issue the detention receipt;
 - (d) the Investor shall submit Import Declaration together with a copy of invoice, a copy of packing list and the detention receipt number issued by the customs officer at the airport to the Authorized Customs Officer;
 - (e) the Authorized Customs Officer shall retain original Import Declaration, after assessment of Import Declaration and hand over the copies of such Import Declaration to the authorized representative of the Investor to present the Authorized Customs Officer at the airport warehouse to release the goods. After receiving the original detention receipt together

with the authorization letter from the Investor, the Authorized Customs Officer at the airport warehouse, making entries in the warehouse register and detention receipt register, the Authorized Customs Officer shall allow the goods to release for clearance;

(f) after release, the goods shall be transferred to either the Investor or the authorized representative of the Investor after sealing under the customs escort;

(g) the goods shall be allowed to send to the premise of Business after verification of marks and number of packages by the Authorized Customs Officer at gate of the Free Zone in the Special Economic Zone.

151. An Investor may import when the exported goods are found either defective or damaged by the overseas buyer or such goods have not been taken by the overseas buyer or the payment is not settled from the buyer as per agreed schedule after delivery of goods or when buyers return goods due to change of market factors subject to the following conditions, namely.

(a) the Investor shall identify the goods which are original export goods at the time of re-import;

(b) the period of re-imported goods shall be within the warranty period or the validity period of the amended contract or a period of one year from the date of export , among them the latest period.

152. If it is found that the imported goods are error or defective, replacement of such goods shall be allowed by identifying the correctness of the goods imported through a Business in Free Zone or Free Zone Activity or domestic authorized dealer of appointed by the overseas supplier.

153. The supplier of goods within the Domestic Tariff Area shall submit the documents relating to the payment of tax and duty for the importation of supplies which are provided for the Business within the Free Zone or for the Authorized Operation of a Developer and claim for tax refund of such supplies.

154. Duty-free goods procured or imported by a Business in a Free Zone or a Free Zone Activity or a Developer shall be allowed to admit into the premises of the Business in the Free Zone or Free Zone Activity.
155. When the Business in Free Zone or Free Zone Activity or the Developer procure the goods from the Domestic Tariffs Area, the supplier of the goods or the buyer of Business within the Free Zone or Free Zone Activity or Developer on behalf of the seller from Domestic Tariffs Areas shall submit import declaration to the Authorized Custom Officer before the arrival of the goods.
156. The Specified Customs Officer shall detain the goods at the designated area if the goods have been arrived before filing and checking the Import Declaration. The goods shall be released to the Business in a Free Zone or the Free Zone Activity or the Developer only after completion of the filing and assessment of the Import Declaration.
157. The Authorized Customs Officer shall approve the comprehensive import declaration where there are frequent deliveries of goods to the investors in a Free Zone.
158. A copy of Import Declaration with an endorsement by the Authorized Customs Officer for the permitted goods already delivered to the Business in a Free Zone or the Free Zone Activity or the Developer shall be transferred to the excise officer having jurisdiction over the supplier from Domestic Tariff Area within forty-five days. If it is failed to do so, the respective excise officer shall request for payment of duty against the supplier from Domestic Tariff Area.
159. The Business in a Free Zone or the Free Zone Activity or the Developer shall apply to the Specified Customs Officer for the claim of refund duty for the import declaration filing under the claim of refund. The benefit of the refund duty is transferable to the supplier from Domestic Tariff Area from the Business in a Free Zone or the Free Zone Activity or the Developer.

160. The Import Declaration shall be assessed in accordance with the instructions and procedures laid down by the Department of Customs. At the time of assessment, it shall be specifically examined whether the goods are required for the Authorized Operations of the Developer or the Business in a Free Zone or the Free Zone Activity or not, with reference to the permit or the list of goods approved by the Management Committee..
161. The Authorized Customs Officer shall examine the goods obtained from the Domestic Tariff Area on arrival at the gate of Free Zone or the premise of the Business in the Free Zone in respect of description, quantity, marks and other relevant particulars given in the invoice, Export Declaration and packing list and shall also examine as per the examination norms laid down in respect of exported goods in cases of the goods are being procured under claim of an export entitlement.
162. The supplier from the Domestic Tariff Area shall be allowed to sell the goods under tax refund system if the payment for the goods purchased is settled directly from the Foreign Currency or Myanmar Kyats Account of the Business in a Free Zone or the Free Zone Activity or the Developer.
163. A copy of the Export Declaration with an endorsement of the Authorized Customs Officer for the goods which have been received by the Business in the Free Zone or the Free Zone Activity or the Developer shall be deemed as proof of export.
164. According to its desire, the Business in a Free Zone or the Free Zone Activity or the Developer may also procure goods from Domestic Tariff Area without availing exemptions or drawbacks on the basis of invoice or transport documents issued by the supplier.
165. Such invoices or transport documents shall be endorsed to the effect that no exemptions and drawbacks have been availed on the said supplies.

166. Procedures for the receiving of goods from the bonded warehouse are as follows:

- (a) Business in a Free Zone or Free Zone Activity or the Developer shall submit an Import Declaration to the Authorized Customs Officer when the goods are claimed from the bonded warehouse;
- (b) the Business in a Free Zone or the Free Zone Activity or the Developer shall submit the Import Declaration assessed by the Authorized Customs Officer to the customs officer in charge of the bonded warehouse to be claimed the goods;
- (c) the customs officer in charge of the bonded warehouse shall allow clearance of the goods from the bonded warehouse which are supplied to the Business in a Free Zone or the Free Zone Activity or the Developer without payment of duty on the basis of Import Declaration duly assessed by the Authorized Customs Officer;
- (d) where the delivery certificate approved and signed by the Authorized Customs Officer is not received by the customs officer in charge of bonded warehouse within forty-five days from the date of clearance of the goods from the warehouse, the customs officer in charge of the bonded warehouse shall proceed to demand applicable duty from the supplier.

167. According to the procedures prescribed by the rule 166, a business in Free Zone or Free Zone Activity or a Developer may:

- (a) procure goods from international exhibitions held in the Union;
- (b) procure goods and services from a Business in a Free Zone or the Free Zone Activity or the Developer without payment of duty.

168. A Business in a Free Zone or the Free Zone Activity or the Developer may procure goods and services from another business in a Free Zone or a Free Zone Activity within the same or any other Special Economic Zones subject to the following conditions. In procuring:

- (a) the receiving Business or Developer shall file the Import Declaration to the Authorized Customs Officer, in quintuplicate together with the description of the goods, an invoice and packing list for assessment;
- (b) on the basis of such assessed Import Declaration, the goods shall be allowed to be transferred to the receiving Business or Developer under transshipment permit;
- (c) there shall be no requirement to file any additional document or bond(s) for the purpose of transshipment of goods and the transshipment permission shall be stamped on the Import Declaration itself;
- (d) the supplying business shall submit the delivery certificate to the Specified Customs Officer having jurisdiction over that supplying business within forty-five days. In case of failing to submit, the Specified Customs Officer of the supplying business shall inform by writing letter to the Specified Customs Officer of the receiving business or Developer for demand of duty from the receiving business or Developer;
- (e) where the supplying and receiving business or Developer are located in the same Special Economic Zone, the provisions of sub rules (a) to (d) shall not be applied and the movement of goods shall be allowed and such transactions shall be recorded in the regular books of accounts of the receiving business or Developer and the supplying business and no Import Declaration shall be required for filing.

Chapter XVIII

Export Procedures

169. Export license shall not be required for export from Special Economic Zone.

170. Export of special chemicals, plant and animals, materials, equipment and technologies to be controlled by international suggestion shall be abided by

the existing laws, rules and the international conventions in which Myanmar participates.

172. A business may export goods or services, including agro-products, semi-finished goods, sub-assemblies and components under the terms and conditions prescribed in permit, except the items prohibited by of the existing Laws and rules. A manufacturing business may also export by-products, rejects, waste, and scrap arising out of the manufacturing process.
173. A business engaged in computer software and related business may export computer software and technical know-how services through information and telecommunications links or freight forwarding or courier service.
174. The minimum export price shall not be restricted to the export products except export of raw materials procured from domestic without any further processing or manufacturing activities.
175. A Business may export free samples, including molds made with wax or silver or non-precious metal alloy or rubber without limitation of the quantity through any permissible modes of export.
176. Supplies from the Domestic Tariff Area to an Authorized Operations in a Free Zone or Free Zone Activity or Developer may be enjoyed export benefits under the Myanmar Special Economic Zone Law and these rules.
177. The procedure for export from aSpecial Economic Zone through seaports or airports or inland container depot or container freight station or by Courier or by private logistic firm is as follows:
 - (a) a consign or shall submit Shipping Bill in quadruplicate together with export declaration, invoice, packing list and other required documents as per mode of export to the Authorized Customs Officer;
 - (b) the Shipping Bill or airway bill shall be registered, assigned a running serial number and assessed by the Authorized Customs Officer in the

- manner and procedure as followed in case of exports under free-shipping bill without any requirement of the counter signature;
- (c) the Authorized Customs Officer shall check and seal the goods at the premises of the business. If services are exported in non-physical form, the export value is to be furnished by the Business on self-certification basis;
 - (d) the Authorized Custom Officer shall not recheck the sealed goods at the port or airport or inland container depot. Provided that the Authorized Custom Officer may check such goods with the permission of Director General of Custom Department when there is specific intelligence information.
 - (e) the consignor may export through inland container depot within the Special Economic Zone, or through any port or airport or inland container depot. Provided that in case of export of large quantities of cargo from the Special Economic Zone may not be possible for continuous loading in one consignment, the Specified Customs Officer may allow the export of such cargo with the undertaking given by the Business which shall be exported within ninety days. The business shall pay as per undertaking for the amount of applicable duty on the goods which are failed to export;
 - (f) notwithstanding contained in clause (d) of this rule, when the goods are not checked or sealed by the Authorized Customs Officer at the premises of the business, such goods shall be subjected to check by the customs officer in charge at the port or airport or inland container depot.

178. The export of gems and jewellery shall apply the following procedures:

- (a) the following information shall be included when submitting the Bill of Lading (B/L), invoice, packing list to the Authorized Customs Officer:
 - (i) description of the gems and jewellery, and quantity;

- (ii) weight and percentage of purity, carat of precious stones and jewellery such as gold, silver, platinum, diamond, ruby, sapphire, cubic zircon, etc;
 - (iii) FOB Price, quantity and total value of each and every type of gems and jewellery;
- (b) the Business may export jewellery with the set price issued by Designated Agency for the Gems and Jewellery based on the national standard rate. That price shall be based on the prevailing market rate of Gold or rate of exchange from U.S. Dollar to Myanmar Kyats. Provided that the certificate issued by the Designated Agency shall not precede 3 working days from the date of shipment or as may be notified by the Union Government;
- (c) a Business may export the goods through foreign post or courier service as per the procedure of post or courier business;
- (d) a Business may export of goods and services, through another Business or consignor or Free Zone Activity subject to following conditions, namely:
 - (i) goods or services shall be manufactured or developed in the Business concerned;
 - (ii) a Business shall abide by regulations with regard to the Authorized Operations;
 - (iii) a Business shall abide by the provisions of this rule when the export orders are received and the goods shall be directly transferred from the Business premises to the airport or port of shipment;
- (e) the procedure for export through a merchant exporter are as follows;
 - (i) when the goods are exported directly from the Special Economic Zone or through any other port, the movement of goods can be done directly from the Special Economic Zone to the said port of export as the movement of goods from one warehouse to another;

- (ii) the name of business and the name of the exporter shall be mentioned in the export documents;
- (f) a Business in a Free Zone or Free Zone Activity may transfer goods, including goods imported or procured from Domestic Tariff Area, to another Business in a Free Zone or Free Zone Activity, subject to the following procedures, namely:
- (i) the transfer of goods shall be done with the sealed container or sealed trucks between the receiving business and supporting business which are located at different Special Economic Zone;
 - (ii) the supplying Business shall submit the purchasing contract and necessary documents for transfer of goods, invoice and packing list to the Authorized Customs Officer in the Special Economic Zone. The Authorized Customs Officer shall issue the permit for transfer of goods and seal the containers or trucks to transfer the goods to another Special Economic Zone;
 - (iii) the receiving Business shall file purchasing contract, required documents for the purpose of transfer of goods, invoice and packing list together with the permit issued by the Authorized Customs Officer in charge of the Special Economic Zone located in supplying business to the Authorized Customs Officer of the receiving business located in the Special Economic Zone;
 - (iv) the transferred goods shall be cleared by the Authorized Customs Officer after assessment of documents submitted by the receiving business;
 - (v) the receiving Business shall submit the delivery certificate to the Authorized Customs Officer of the Special Economic Zone where the supplying business is located within forty five days. If failed, the Authorized Customs Officer where the supplying business is located,

shall communicate to the Customs Officer having assessment from the receiving business for demand of applicable duty;

- (vi) where supplying and receiving Businesses in a Free Zone or Free Zone Activity are located in the same Special Economic Zone, movement of goods including raw materials shall be allowed subject to maintenance of accounts by both receiving and supplying Business in a Free Zone or Free Zone Activity and no other documents shall be required to be filed.

Chapter XIX

Rules for distribution of movable goods from the Special Economic Zone to the Domestic Tariff Area

179. Manufacturing Businesses within a Free Zone shall be allowed to sell maximum twenty-five percent in value of their products manufactured by themselves or any other goods imported by themselves into a Free Zone to the Domestic Tariff Area including a Promotion Zone. In such sale, buyer in a Promotion Zone or in local market shall pay the duties and other taxes on such goods imported from abroad.
180. The sale of finished products manufactured by Free Zone Activity to the Domestic Tariff Area shall apply the provision under the rule 179.
181. Rule 179 shall be applied when the goods imported by the Businesses within a Free Zone have been sold, re-invoiced or re-exported to anyone in the Domestic Tariff Area.
182. The import procedures for payment of customs duties for the same goods imported by a Business within a Free Zone or Free Zone Activity shall be applied for the sale of goods and services, including rejects or wastes or scraps or remnants or by-products arising during the manufacturing process by a Business within a Free Zone or Free Zone Activity to the Domestic Tariff Area.

183. Goods procured from the Domestic Tariff Area and sold without being any manufacturing process shall not be required import license.
184. When surplus of electricity generated from the Power Plant of Developer in the Special Economic Zone may be sold to the Domestic Tariff Area, except the Promotion Zone or other Business in the Special Economic Zone, the duty and taxes shall be paid upon the consumable inputs and raw materials used for generation of power.
185. When the Management Committee receives the proposal for sale of surplus electricity, if necessary, in consultation with the responsible Ministry, it shall examine for the electricity supply. It is not required in consultation with the responsible Ministry for sale of electricity in the same Special Economic Zone.
186. The Management Committee shall set the standards and norms for electricity generation by a Business within a Special Economic Zone.
187. Sale of surplus electricity power to Developers or Investors in the same or other Special Economic Zone shall not be paid for duty.
188. The sale of electricity to the Domestic Tariff Area shall obtain permissions from the Management Committee and the relevant Ministry.
189. Duty and taxes on sale of surplus electricity to the Domestic Tariff Area shall be paid under provisions contained in these Rules.
190. Relating to the matters of goods purchased for the domestic use,
 - (a) the buyer from the Domestic Tariff Area shall submit the Import Declaration mentioning the description, model number and serial number of the goods together with the invoice and packing list to the Authorized Customs Officer;
 - (b) a Business within the Free Zone or Free Zone Activity on behalf of the buyer, by the permission of the buyer from the Domestic Tariff Area may submit the Import Declaration related to these goods to the Authorized Customs Officer.

191. Valuation of the goods cleared into Domestic Tariff Area shall be determined in accordance with the provisions of Tariff Law and rules as applicable to the imported goods.
192. If the goods procured from the Domestic Tariffs Area by the Business within a Free Zone or a Free Zone Activity have been sent back to the Domestic Tariffs Area in the form of originally purchased goods or not much changes of processing, deemed as re-import goods and the procedures of re-import goods from the outside of country shall be followed. The import duty is exempted for such re-import goods. Import benefit shall not be paid for those goods as well. The import declaration shall not be required for such case that those goods may be re-imported to Domestic Tariff Area according to the original invoice.
193. A Business within a Free Zone or a Free Zone Activity may transfer the Capital Goods which were imported and used for their Authorized Operations in the Special Economic Zone, to Domestic Tariff Area by payment of customs duty exempted at a time of import.
194. In case of selling of Capital Goods imported with the duty free by the trading business or logistics business in a Free Zone to the Domestic Tariff Area , duty and other taxes shall be levied on such goods as required at the time of import.
195. Goods supplied by a Business within . a Free Zone or a Free Zone Activity to Domestic Tariff Area on payment of duty may be brought back to the Business within a Free Zone or Free Zone Activity for the purpose of repair within a period of 6 months from the date of clearance, or within a period extended by the Specified Customs Officer or within the warranty period or within among them , the latest period, on payment of duty on the value of repairs if the Specified Customs Officer is satisfied after verifying such goods.
196. The Business within a Free Zone or the developer may temporarily remove the following goods to the Domestic Tariff Area without payment of duty, namely:

- (a) high value machineries and equipments used in the construction work for short term;
- (b) capital goods and its parts for repairs and return thereof;
- (c) sample goods for display, or the goods displayed in the exhibition for export promotion and return thereof;
- (d) goods for test, repair, refining and calibration and return thereof;
- (e) computers and other products can be used like computer or personal goods for official employees of the businesses within the Special Economic Zone and the Developer;
- (f) the goods received the prior permission by the Management Committee.

197. The goods imported for the purpose of repair or replacement or quality testing or researcher enhancing quality or calibration from the Free Zone may be transferred to Domestic Tariff Area or abroad, if it transfers, by submitting to the Specified Customs Officer and on maintenance of records for movement of such goods.

198. A Business within a Free Zone or Free Zone Activity may transfer goods for quality testing or research or technical development purposes, to any recognized laboratory or institution, without payment of duty, on giving an undertaking to the Authorized Customs Officer for the return of such goods. If such goods have been consumed or destroyed in the process of testing or at the time of research and development, the Business within a Free Zone or Free Zone Activity shall submit a certificate from the laboratory or institution to that effect to the Specified Customs Officer.

199. The Business within a Free Zone or Free Zone Activity or the Developer shall undertake the movement of goods under the rules 196 to 197, based on the serially numbered document, authenticated by the Managing Director or owner of the company or secretary of the company or the authorized representative of the company.

200. Before using of authenticated serial numbered document, these serial numbers shall be presented in advance to the Authorized Customs Officer.
201. Identification marks, models, serial numbers and specifications of the goods received back after such use, test or repair or calibration should match with those mentioned in the authenticated documents issued by the authorized representative of the Business within a Free Zone or a Free Zone Activity or the developer and signed by the Authorized Customs Officer at the time of taking out such goods into Domestic Tariff Area.
202. The goods shall be brought back to the Free Zone within one hundred and twenty days from the date of taking the goods out of the Free Zone or within the extended period permitted by the Specified Customs Officer.
203. If a Business within a Free Zone or a Free Zone Activity or the Developer fails to bring back the goods within the period specified in above rule 202, the applicable duty on such goods shall be paid .
204. Under the provisions of above rule 203 ,the Business within a Free Zone or a Free Zone Activity may remove the goods including the capital goods to another Business at the same Free Zone or to Domestic Tariff Area for test or repair or calibration or re-conditioning or return. Such movement of goods within the same Special Economic Zone shall be undertaken by maintaining the records at the supplying and receiving places.

Chapter XX

Procedures for the Inspection of Contagious Diseases

205. The Contagious Diseases inspection shall be carried out, if necessary, the Authorized Customs Officer of the One Stop Service Center (OSSC) at the Special Economic Zones shall inform to the responsible person from the Ministry of Health.

206. The responsible person from the Ministry of Health attached to the One Stop Service Center (OSSC) may carry out regular inspection.
207. The Management Committee shall consult with the relevant Ministry for further detailed inspection to be carried out as required and shall invite the respective technicians to the One Stop Service Center (OSSC) .It shall let them carry out such inspection.
208. The Management Committee shall carry out as the procedures of the relevant Ministry if it is found necessary to be taken further action under inspection.

Chapter XXI

Labor and Employment

209. The Management Committee shall carry out the labor matters in the Special Economic Zone as follows:
 - (a) The Management Committee supervises to ensure that the employment agreements are made in accordance with the existing Labor Law and regulations. The rights and duties of the employer and employee shall be described in the employment agreements. Moreover, employment matters, including minimum wages, salary, leave, holiday, overtime fees, compensation for dismissal from work and workmen's compensation shall be administered in accord with the existing Labor Law and regulations. The Investors and the Developer shall develop their own Internal regulations on labour recruitment and shall submit it to the Management Committee;
 - (b) The Management Committee shall inspect and supervise to ensure not to lose and to protect the rights of the employees, technicians and staffs. The Management Committee shall inform twenty-four hours in advance to the investor or the developer for the inspection. Such inspection shall be

carried out together with the representatives from labor section of One Stop Service Center (OSSC) of the Special Economic Zone.

210. Investor or Developer in the Special Economic Zone shall submit their own employment recruitment disciplines to the Management Committee of the relevant Special Economic Zone if they use it. The relevant Management Committee may issue notification, order, directives and procedures for the labour recruitments matters for the relevant Special Economic Zone.
211. The disciplines in the work place shall be informed clearly to the citizen or the foreigner, who has been appointed at a suitable post, at the time of executing Employment Contract between the Developer or Investor and the employees.
212. The Investor or the Developer shall apply to the Management Committee in the event that they want to recruit foreign experts and technicians more than the quantity stipulated under the section 75 of the Law to perform the Authorized Operations.
213. According to the rule 212, Management Committee may give permission after scrutinizing the followings facts when receiving the application:
 - (a) whether Myanmar Citizens undertake the responsibilities to be given to the foreigner to be appointed or not ;
 - (b) whether the responsibilities to be given to the foreigner shall be suitable with the Authorized Business Operation or not.
214. The Investor or the Developer shall obtain advance the work permit for the foreigners to be employed in the Special Economic Zone from the authorized person of the labor section of the One Stop Service Center (OSSC) of a Special Economic Zone before commencing the business operation.
215. The labor section of the One Stop Service Center (OSSC) of a Special Economic Zone shall provide service for the labour registration for both citizen and foreigner before commencing the business operation.

216. Any employer in the Special Economic Zone shall be responsible to provide the trainings arrangement necessary for the improvement of job skills, technical skills, administrative skills of the employees and the staffs. The Management Committee shall ask for the arrangement of trainings for the employees and reports from the employer, from time to time.
217. Foreigners employed in the Special Economic Zones shall apply for the related matters of immigration such as, renewal of the entry visa, residency to the immigration section of the One Stop Service Center (OSSC).
218. The employer shall inform, if any labor dispute arises between the employer and employees, the technicians and the staffs in the Special Economic Zone, to the Management Committee within twenty-four hours of the occurrence of such dispute.

Chapter XXII

Miscellaneous

219. The Investor or the Developer who is desirous of terminating or winding up its Business or reducing its paid-up capital shall notify and submit to the relevant Management Committee.
220. The relevant Management Committee shall issue the identity card for validity period of five following years as the FORM-H to the business owners and their employees appointed at their authorized business operations for the regular entry to the Free Zone at the Special Economic Zone.
221. Such Identity Card holder shall:
- (a) return all issued identity cards, commencing from the day on which business shut down when such business is terminated;
 - (b) return the identity card to the relevant Management Committee by any employee who has been resigned the job from the current Business or the Developer.

222. The relevant Management Committee shall issue identity cards to the contractors and their visitors as FORM-H.A proper record of such entries shall be maintained at the Free Zone Gate.
223. Unless otherwise specified in these rules, self-declaration of all inward or outward movement of goods into or from the Special Economic Zone shall be made by the Investor or the Developer. There may be no routine inspection of such goods unless the specific order is issued by the Management Committee.
224. The Management Committee may form a supporting group with the representatives from the relevant ministries and government organizations or the representatives of Investors and Developers, others relevant personnel and personnel from private organizations. For such formation may be formed, if necessary, as per provisions of Myanmar Companies Act or Special Company Act or their successive laws.
225. When these rules are issued, a Development Business or an Investment Business shall apply to the provision under these rules.

Union Minister

Ministry of National Planning and Economic Development

APPLICATION TO ESTABLISH A SPECIAL ECONOMIC ZONE

[Sub-rule (a) of Rule 24]

1. Full Name and address
 - (a) Name of the Applicant
 - (b) Full Address
(Regd. Office and Head Office)
 - (c) Zip Code (sign/mark)
 - (d) Tel. Number
 - (e) Fax Number
 - (f) E-Mail Address
 - (g) Name and address of each of the Directors/
Partners/ Promoters
2. Nature of the Business to be applied
 - (a) Public Limited Company
 - (b) Private Limited Company
 - (c) Proprietorship
 - (d) Partnership
 - (e) Others (please specify)

Note: Copy of certificate of incorporation along with Article of Association and Memorandum of Association in case of companies and partnership deed in case of partnership firms shall be attached.
3. Location of the proposed Special Economic Zone:
4. Details of the proposed Special Economic Zone:
 - (a) Distance from the nearest Sea Port or Airport or Rail or Road head to the proposed Special Economic Zone.
 - (b) Indicate the area of the proposed Special Economic Zone (in hectares)

- (c) To furnish the documents for possession if the applicant is owner of the land
 - (d) In the case of lease hold land, furnish the lease conditions.
 - (e) If the land is not in ownership or possession, furnish activities being taken for acquisition of land.
 - (f) Furnish whether the area is contiguous or not or whether there is any thoroughfare or not .
5. Proposed financial and investment details:
- (a) Cost of the lease of land, soil type and quality i.e. waste and barren land, suitable for single crop or double crop etc.
 - (b) Cost of proposed infrastructure, namely:
 - (1) Development of land
 - (2) Boundary walls, roads, drainage, water supply, electricity, etc
 - (3) Ready built up factory premises (Rental factory)
 - (4) Port
 - (5) Airport
 - (6) Others, (if any, in details).
 - (c) Total investment (In US\$)
6. Financial situation
- (a) Paid up equity capital
 - (b) Loan
 - (c) External Commercial Loan, if any, furnish in details.
 - (d) Other sources
- Total
7. Foreign Direct Investment (FDI)
- (a) Amount of investment (US\$ million)
 - (b) Source of FDI (Country and Company in details).
8. Equity capital including foreign investment

(a) Authorized Capital (Amount in Thousand Kyat)

(1) Amount of Capital to be contributed.

(2) Subscribed

(3) Type of Capital

Note: If it is existing company, furnish the classification of the existing and proposed capital structure

(b) Pattern of share-holding in the paid-up capital (Amount in Thousand Kyat) or (Thousand US\$)

(1) Foreign shareholding

(2) Myanmar company/non-resident foreigner individual holding

(3) Resident holding

(4) Total

9. Development of identified area as Special Economic Zone in Myanmar furnishes the followings in details:

Area (in hectares)

(a) Proposed area for development of the Special Economic Zone

(b) Proposed area for Free Zone

(c) Proposed area for Promotion Zone

(d) Proposed area for production (to classify the production in Free Zone and Promotion Zone)

(e) Development activities to be undertaken in the Special Economic Zone, namely:

(1) Site development

(2) Demarcation

(3) Construction of roads

(4) Installation of water supply, waste water treatment and sewage systems

(5) Power distribution system

- (6) Telecom facilities
 - (7) Construction of factory buildings and warehouses
 - (8) Any other activity which may be required in the Free Zone.
- (f) Activities proposed in Promotion Zone, namely:
- (1) Residential housing
 - (2) Commercial complex
 - (3) Recreation facilities
 - (4) Corporate Social Responsibility activities (in details)
 - (5) Others requirements
- (g) Standard operation and maintenance of the facilities proposed
10. To indicate exports produced directly and indirectly during the first five year period. (To attach a project report, and economic and commercial feasibility of the proposal)
11. Has the applicant obtained any permission or approval from the Union Government for establishing any other Special Economic Zones, if so, details may be given and/or whether any such application is pending by the Union Government?

Place: _____

Date: _____

Name _____

Signature of the Applicant_____

Tel. No_____

Fax_____

E-mail_____

Web-Site, (if any)_____

Full Residential Address_____

UNDERTAKING

I/We hereby undertake to abide by the provisions of the Myanmar Special Economic Zone Law, rules and orders made thereunder. I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief.

I/We will abide by any other condition, which may be stipulated by the Union Government. I/We fully understand that any Letter of Approval granted to me/us on the basis of the statement furnished is liable to cancellation or any other action that may be taken having regard to the circumstances of the case if it is found that any of the statements or facts therein are incorrect or false.

An affidavit duly sworn in support of the above information is enclosed.

Place: -----

Date: -----

Signature of the Applicant-----

Name (in Block Letters)-----

Designation-----

Official Seal/Stamp-----

Tel. No-----

E-mail-----

Web-Site-----

Full Residential Address-----

PERMIT FOR DEVELOPER OF THE SPECIAL ECONOMIC ZONE

[Rule 25]

THE GOVERNMENT OF THE REPUBLIC OF THE UNION OF MYANMAR

THE MANAGEMENT COMMITTEE OF THE SPECIAL ECONOMIC ZONE

Date.....

To:

Subject: Setting up of Special Economic Zone

Reference: Your proposal/s No.....dated.....

Sir/Madame,

With reference to your above mentioned application, the Government of the Republic of the Union of Myanmar approve your proposal for development, operation and maintenance of the Special Economic Zone (SEZ) atvillage,.....District in the State of, as per details given below:

1. PROPOSAL and PROJECT details:

To set up a Special Economic Zone with the area ofat.....

(Place, District and Name of the State).

2. DEVELOPER: (Name of the developer)

3. General Conditions:

(a) The Developer shall develop, operate and maintain the Special Economic Zone in terms of the Myanmar Special Economic Zone Law and the rules made thereunder.

(b) The Developer shall implement and operate the project in terms of the Myanmar Special Economic Zone Law, rules and orders made thereunder.

(c) The Developer shall obey to the environmental requirements.

- (d) The Developer shall abide by the local Laws, rules, regulations and by-Laws in regard to area land planning, sewerage disposal, environmental conservation, labour laws and any other regional activities.
- (e) The Developer may raise the required funds for establishment of Special Economic Zone. If it is necessary to borrow external loan, he shall abide by the regulations of the Government of the Republic of the Union of Myanmar.
- (f) The Developer shall carry out the business within the approval period 1 year. The report of business implementation and progress report shall be submitted to the Union Government every six months.
- (g) The permit maybe suspended in case of violation of any regulations and by-laws stipulated herein.
- (h) The operation and maintenance of the services shall be made as per the standards specified in the proposal and to the satisfaction of the users.
- (i) The Developer shall have adequate human resources to provide the facilities.
- (j) The Investment charges may be negotiated and incurred between the Developer and Investor under the advice of the Management Committee. This fact may be altered under the agreement of the said persons.
- (k) The Developer shall obtain the approval of the Management Committee for enabling to carry out the development, operation and maintenance of Special Economic Zone. After getting the approval of the management committee and declaring as the Special Economic Zone, the Developer shall be entitled for duty-free import or domestic procurement of goods for the approved activities.
- (l) In carrying out the permitted authorized operations mentioned in the proposal, it shall be carried out in accordance with the restriction

mentioned in the Myanmar Special Economic Zones Law, rules and regulations thereof.

- (m) No duty-free goods shall be available for personal use of, or consumption by officials, workers, staff or owners of the Investor or Developer.
- (n) Normally, the implementation period of the business shall be allowed not exceeding three years. Any request, however, may be considered by the Central Body for the Myanmar Special Economic Zone, on merits. Such request shall be applied to the Union Government within six (6) months before expiry of the approval period.

4. Privileges of Developer:

- (a) The Union Government may grant the privileges to the Developer in the implementation of the approved business according to section 40 and clause (a) of section 44 of the Myanmar Special Economic Zone Law (The Pyidaungsu Hluttaw Law No.1/2014) enacted on the 23rd January, 2014.
- (b) The other stipulations as approved by the Central Body as mentioned in the Annex to this letter shall also be obeyed
- (c) The Developer shall inform the acceptance of all facts mentioned above within thirty days from the date of receipt of this letter. If required to communicate, it shall be addressed to the Chairman of the Management Committee.
- (d) The Developer may send the facts in detail, including the map indicating the Special Economic Zone area permitted by the Union Government.

5. The Developer shall submit the interests on import, procurement and utilization of goods to the chairman of the Management Committee, based on the Myanmar Special Economic Zone Rules.

Chairman

The Management Committee of the Special Economic Zone

APPLICATION FOR EXTENSION OF VALIDITY OF BUSINESS
OPERATION
[Rule 29]

1. Name and address of the Developer:
2. Letter of Permit No. and Date:
3. Issuance Date of Permit:
4. Expiry date of permit of the Special Economic Zone:
5. Whether application for extension has been made before the expiry date of permit or not ,if yes, date of application:
6. Period of Extension:
7. Whether the Special Economic Zone has been declared or not. If yes, date of Declaration:
8. If it is declared as the special Economic Zone, the Management Committee of the Special Economic Zone shall declared as the Free Zone and the Promotion Zone:
9. Development project to be implemented for 3 years performances of business shall be listed. List the default operations carried out like boundary walls, preparation of site, administrative block, electrification, roads, water pipelines, other authorized activities etc. for implementing the Special Economic Zone shall be listed in descriptive details:
10. Proposed time frame for completion of the work:
11. Reasons for application of extension:

I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We will abide by any other condition, which may be stipulated by the Government of the Republic of the Union of Myanmar. I/We fully understand that any Letter of permit issued to me/us on the basis of the statement furnished is liable to cancellation or any other

action that may be taken having regard to the circumstances of the case if it is found that any of the statements or facts therein is incorrect or false.

Place: -----

Date: -----

Signature of the Applicant-----

Name (in Block Letters)-----

Designation-----

Official Seal/Stamp-----

Tel. No-----

E-mail-----

Web-Site-----

Full Residential Address-----

Permission of the Chairman of the Management Committee

The proposal has been examined and my permission is as follows:

Signature of the Chairman of the Management Committee

**QUARTERLY REPORT TO BE FURNISHED BY THE DEVELOPER
TO THE MANAGEMENT COMMITTEE**

[Rule 30]

PERIOD OF REPORTING:

**QUARTERLY (APRIL-JUNE)(JULY-SEPTEMBER) (OCTOBER-DECEMBER)
(JANUARY-MARCH)**

1. Name and address of the Developer
2. Permit No. and Date
3. Details of Authorized Operations approved by the Central Body
4. Land
 - (a) Proposed total areas
 - (b) Areas now in possession and future development plans
 - (c) Area earmarked for processing area
 - (d) Details of processing area developed
5.
 - (a) Details of imports or procurement of goods made for Authorized Operations, from inception till last quarter opening balance
 - (b) Details of imports or procurement of goods made for Authorized Operations during the current quarter
 - (c) Details of consumption of goods imported or procured [(a)+(b)]
 - (d) Details of imported goods held in stock at the end of the quarter (a) + (b) - (c)
6. Details of infrastructure developed in the processing area and the non-processing area
7. Other details of progress of implementation of the project

(SIGNATURE)

Developer

APPLICATION FORM FOR SETTING UP BUSINESS INSPECIAL
ECONOMIC ZONE

[Rule 47]

Reference:

Date:

PART - I

1. Applicant

- (a) Name of the applicant/ company
- (b) Full address of the Registered Office/Head Office for applicant/company
- (c) Tel. No.
- (d) Fax No.
- (e) Web-Site (if any)
- (f) Official Representative

Name

(Male/Female)

Date of Birth

Citizen

Passport No., Issued Organization and Issued Date

Designation

Permanent address

Home Address

Telephone No.

Fax

- (g) Authorized capital and permitted capital
- (h) Business to be undertaken actually (Types of business)

- (i) Types of Production / Services
 - (j) The location of business and the type of business in each situation
(Including the business in foreign)
 - (k) Number of Staff (origin country/others)
 - (l) Company History (Summary)
 - (m) The specific facts of Company
 - (n) The files attached with
 - (1) Memorandum of Association and Articles of Association (if it is a company, express in English)
 - (2) The pamphlet of company
 - (3) The report by Certified Public Accountant (describe for 3 years)
2. Business to be undertaken in the SPECIAL ECONOMIC ZONE According to the current programme, describe the followings
- (a) Company to undertaking a business
 - (b) Address of the Head Office
 - (c) Legal Representative
 - (1) Name
 - (2) (Male/Female)
 - (3) Date of Birth
 - (4) Citizen
 - (5) Passport No., Issued Organization and Issued Date
 - (6) Designation
 - (7) Permanent address
 - (8) Home Address
 - (9) Telephone Number (in Myanmar)
 - (10) Fax
 - (d) Applied type of business (to make mark)
 - (1) Business within Free Zone

- (2) Free Zone Activity
- (3) Business within Promotion Zone
- (4) Other Activities
- (e) Type of business:
 - Production
 - Service.
- (f) Location of the business and land area to be used
- (g) Period to do business
- (h) Factory construction plan
- (i) Type of production and service
- (j) Initial capital to do the business

(Kyat in thousand or US\$ in thousand)

	Foreigner	Citizen	Total
Permitted Capital			
(Percentage)			
Foreign Loan			
(Percentage)			
Total			
(Percentage)			

Remark: To furnish the name of borrower, period of loan, interest rate and plan for repayment, if it is foreign loan.

- (k) Contribution of the main shareholder to Authorized capital

(Kyat in thousand or US\$ in thousand)

Name of Shareholder	Contribution Foreigner/Citizen Amount	Share Percentage

--

(l) Sales, Profit and Loss (Kyat in thousand or US\$ in thousand)

	1st year	2nd year	3rd year	4th year	5th year
Balance					
Export					
Domestic					
Machinery					
Export					
Domestic					
Gross Profit					
Management Cost					
Profit Before Tax					

Note: Year means an operation year after the commercial operation.

(m) Capital goods to be used in the business. (Goods and machinery, others)

Capital goods, machinery and others	Number (Unit)	Remark (detail description, special characteristics etc:)
Import materials		
Local purchasing		
Import materials		
Local purchasing		
Import materials		
Local purchasing		

Note: The Management Committee shall formulate forms for next steps in the registration of details of the import materials to be used in the business.

(n) Raw materials/ other inputs to be used in the business

(Unit)

Component	Quantity
materials/	
Semi-finished goods/	

	1st year	2nd year	3rd year	4th year	5th year
Import material					
Local purchasing					

Note: Year means an operation year after commercial operation. The Management Committee of-----Special Economic Zone shall formulate the details including components, semi-finished goods, raw material with forms for next steps.

(o) Process of Production and explanation

(p) Appointment of employee

(Employment)

Year	Occupation	Foreigner	Citizen	Total
1st year	Administration			
	Expert			
	Labour			
	Total			
2nd year	--			
3rd year	--			
4th year	--			

5th year

--

(q) Requirement of Infrastructure

Infrastructure	Requirement amount	
	Initial Period	Normal Operation
(1) Water (in Cubic meter)		
(a) For manufacturing process		
(b) For drinking purpose		
(c) Others(to mention)		
(d) Total requirement		
(2) Electricity (Describe by KVA)		

(3) Participation of foreigners (Describe briefly if it is done by agreement and not necessary to mention in money value.)

- (a) Technical Agreement
- (b) License Exchange Agreement
- (c) Administrative Agreement
- (d) Market Cooperation Agreement
- (e) Others

(r) Environmental conservation and protection plan and reduction of social impact

- (1) Volume and nature of solid waste and plan for disposal
- (2) Describe if there is a system for waste management
- (s) Plan for dormitory, transport, lunch and other supplementary rights
(Furnish current plan)

(t) Vocational training programme to support citizen workers (Furnish current plan)

(u) Other Factors

(1) If the applicant was issued license in accordance with the Foreign Investment Law, the complete facts, reference, issued date, type of products and progress report of the each project which are relating to the license.

(2) Describe if the applicant, or the shareholders or the directors of other companies or organizations were prohibited to obtain license in accordance with the Foreign Investment Law or Foreign Trade Law or Foreign Exchange Management Law or Customs Acts.

Place: _____

Date: _____

Signature of the Applicant-----

Name-----

UNDERTAKING

I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We shall abide by any other condition, which may be stipulated by the Chairman of the Management Committee. I/We fully understand that any permit and permission granted to me/us on the basis of the statement furnished is liable to cancellation or any other action that may be taken having regard to the circumstances of the case if it is found that any of the statements or facts therein are incorrect or false.

I/We shall strictly follow the provisions stipulated by the developer in the ----- zone of ----- Special Economic Zone and also follow the policy of anticorruption.

Place: _____

Date: _____

Signature of the Applicant-----

Name in Block Letters-----

Designation-----

Official Seal/Stamp -----

Tel. No.-----

E-mail-----

Full Address-----

PART-II

If sub-contracting is envisaged in the manufacturing operations, furnish following details:

- (i) Sub-contracting permission is required for:
 - (a) part of the production process (quantity)
 - (b) any particular production process (give details)
- (ii) Name and address and other particulars of sub-contractor (if there is the sub-contractor)
 - (a) Domestic Tariff Area
 - (b) Business in Promotion Zone
 - (c) Free Zone Activities
 - (d) Other Special Economic Zone Activities

PERMIT OF INVESTMENT BUSINESS
THE MANAGEMENT COMMITTEE OF THE SPECIAL ECONOMIC ZONE
[Rule 50]
.....Town

Dated.....

Subject: Proposal for setting up a Business in the Special Economic Zone.

Reference: Application No. ...ofCompany. dated.....

Dear Sirs,

With reference to the above mentioned application, the Management CommitteeSpecial Economic Zone permitsCompany to do investment business subject to the provisions of the Myanmar Special Economic Zones Law and the rules and orders for undertaking Authorized Operations, especially services, including manufacturing and trading as under:

Authorized Operations

1. Items of manufacture:
2. Service activities:

Authorized Location of Business

1. Free Zone
2. Promotion Zone

Supports for Investment

If the approval of the Management Committee of Special Economic Zone has been obtained, the Authorized Operations of the relevant company is allowed to entitle the privileges under Sections 32, 44 and 49 of the Myanmar Special Economic Zone Law.

Terms and Conditions:

- (i) It shall export the manufactured goods, import, and procure for trading and services under the provisions of the Myanmar Special Economic Zones Law and Rules ;

- (ii) It shall abide by facts laid down by the Environmental Conservation Department for not impacting the environment.;
- (iii) Time import or procure all the goods all the items in the Domestic Traffic Area, except those prohibited by the Management Committee;
- (iv) It may export or sell goods or services in the Domestic Tariff Area, in accordance with the provisions of the Myanmar Special Economic Law, rules and orders;
- (v) This permits valid within a period of 3 years from its date of issue. It may implement the Authorized Operations and the projects within 3 year period. extended period ;
- (vi) Date of commencement of Authorized Operation shall be intimated to the Chairman of the Management Committee;
- (vii) This Permit shall be valid throughout the validity period or extended validity period of the Authorized Operation;
- (viii) The permit shall be decided based on the detail proposal furnished by the investor.;
- (ix) The provisions of Myanmar Special Economic Zones Law, rules and orders shall be abided by and exercised.;
- (x) If the authorized operation may not commerce within validity period or extended period to carry out ,the permit of such operation shall be void at the time of the end of the validity period;
- (xi) If it fails to comply with the above conditions stipulated , the permit shall be avoided ;
- (xii) If it is required to alter the terms and conditions of the permit, it shall be addressed to the Chairman of the Management Committee.

Notification of the situations and restrictions

1. Taking a foreign loan or other conduct to borrow or making documents there are assumed to take a loan without prior approval of the Central

Bank shall not be allowed and conditions stipulated by the Central Bank shall be abided. It should be learnt of the para 48 to 52 contained in Foreign Currency Exchange Management Procedure promulgated in 30thSeptember, 2014 relating to taking a foreign loan.

2. The investor shall take the building permit of the relevant departments, the certificate of the fire security, and the permit of the environment conservation from One Stop Service Centre of Special Economic Zone before building factory.

Chairman, the Management Committee
..... Special Economic Zone

Copy forwarded to:

Vice Chairman
.....Special Economic Zone

**QUARTERLY PERFORMANCE REPORT TO BE SUBMITTED BY THE
INVESTOR TO THE MANAGEMENT COMMITTEE**

[Rule74]

PERIOD OF REPORTING: (APRIL-MARCH)

Period.....

Part - I

1. Name of the Investor:
2. Item of manufacture/service activity:
3. Export (In thousand MMK)
 - (a) FOB value of exports for the Year (Indicate items of exports)
 - (b) Cumulative value of exports for the five-year period
 - (c) Countries of exports
4. Import (In thousand MMK)
 - (a) Raw materials and other inputs utilized
 - (1) Opening balance of imported raw materials, consumables, components, packing materials etc.
 - (2) Cost, Insurance and Freight(CIF) value
 - (3) Cumulative value of imports for the five year period(a+b)
 - (4) The value of goods and services received from other investor in Special Economic Zone during such quarterly or the above import.
 - (5) Total (c+d)
 - (6) The value of goods and services transferred to other investors in the Special Economic Zone during such quarterly period or the above imports
 - (7) Closing balance of the above imports.

- (8) Import and value of components actually utilized during quarterly period $\{(e)-[f+g]\}$
- (b) Capital goods
 - (1) Cost, Insurance and Freight(CIF) value of imports
 - (2) Value of imported capital goods and components received from other Investors in Special Economic Zone during quarterly period
 - (3) Total (1+2)
 - (4) Value of imported capital good, and components during quarterly period (3+4)
 - (5) Total value of imported capital goods and components during quarterly period (3-4)
 - (6) Proportionate amortized value of imported capital goods taken for Net Foreign Exchange Earnings calculations.
5. Other outflow of Foreign Exchange (Royalty, technical know-how fee, repatriation of Dividend/Profits, Payment of Sales Commission, Interest on overseas borrowings, etc.) during quarterly period
6. Total outflow [4.A (8) +4.B (6) +5]
7. Net Foreign Exchange Earnings for quarterly period [3(a)-6]
8. Net Foreign Exchange earning position at the end of previous year.
9. Cumulative Net Foreign Exchange Earnings for the five year period [7+8]

Part – II

1. Domestic Tariff Area Sales Value (In thousand MMK)
 - (a) Sale of finished goods/services
 - (b) Sales of rejects
 - (c) Sale of by-product
 - (d) Sale of Waste/Scrap
 - (e) Total
2. Capital structure of the enterprise
 - (a) Capital
 - (1) Authorised capital
 - (2) Paid up capital
 - (b) Overseas investments:
 - (1) Approved
 - (2) Actual Inflow during the year
 - (3) Cumulative actual investment for 5 years
3. Employment Male/ Female
4. Investment in the Special Economic Zone (in thousand MMK)
 - (a) Building:
 - (b) Plant and Machinery:
 - (1) Internal :
 - (2) Import (Cost, Insurance and Freight value):.....
 - (3) Total (1) + (2):
5. Other Information
 - (a) Foreign commercial borrowing pending at the end of last year:
 - (1) Loans less than three years; (Amount in \$)
 - (2) Loans more than three years; (Amount in \$)
 - (b) Cases pending for obtaining the foreign exchange realization, if any.

Date of export.....
Name of importer
Address.....
Total Amount.....

(SIGNATURE)
with Seal of Co.

Note: The information given in the formats should be authenticated by the authorized representative of the Investor and certified by a Certified Accountant.

PERMANENT IDENTITY CARD (ID card)

[Rule 220]

PHOTO

Serial Number:

Date of Issue:

Valid until:

1. Name of the Unit (as mentioned in photo) or Name of the Contractor (as mentioned in the photo of temporary registration card), address and License number.
2. Name of the Card Holder
3. Designation
Signature of the Officer.....
Management Committee

INSTRUCTIONS

1. This card should be worn by the pass holder all the time inside the Free Zone.
2. This card is not transferable.
3. This card shall be shown when it is asked by the Security and Customs (responsible person) staff.
4. The card holder and his/her vehicle should be checked for Security purpose at the gate.
5. The loss of this pass shall immediately be reported to the Security Officer.
6. This card shall be surrendered to the Security Officer, when it is being on expiry.