

*(Unofficial Translation)*

**The Republic of the Union of Myanmar**  
**The Ministry of Commerce**  
**The Minister's Office**  
**Notification No 25/2018**  
**9 May 2018**

The Ministry of Commerce has made this Notification in exercising the power conferred under Section 13 (b) of the Export Import Law.

**Permitting 100% Foreign Companies and JV Companies to carry out wholesale and retail trading in the Union**

1. The Ministry of Commerce has, starting from the date of this Notification, permitted 100% foreign companies and JV companies between foreigners and Myanmar citizens to operate wholesale and retail trading in the Union with the purpose of bringing out a variety of choices for consumers by improving fair competition among wholesalers and retailers at the same time, increasing the quality and technology of goods and services and developing small and medium enterprises.
2. Myanmar companies, 100% foreign companies and JV companies must comply with the following conditions when operating wholesale and retail trading.
3. The conditions for wholesale and retail trading will be revised and amended as required.

Sd/xxx  
Dr. Than Myint  
Union Minister  
Ministry of Commerce

## Conditions for Wholesale and Retail Trading

### Background information

1. The Ministry of Commerce has reformed the economic conditions of Myanmar and liberalized some restrictions and conditions for doing business in Myanmar to create better employment opportunities and technology development via foreign investments. In this case, foreigners should be allowed to operate in sale and distribution service sector of the Union pursuant to the regional agreements so that consumers could select products and services with better quality and fair price. Therefore, the Ministry has decided to approve foreign companies and foreigners to operate wholesale and retail trading for the benefits of local consumers without prejudice to local small and medium businesses.

### Objectives

2. The objectives of the conditions set hereunder are given below: -
  - (a) to improve competition among wholesalers and retailers and at the same time, help consumers to choose products and services with better quantity and fair price;
  - (b) to develop quality, quantity and technology of products and services available by increasing import forces to domestic sale and distribution sectors;
  - (c) to develop small and medium enterprises and widen their markets;
  - (d) to eradicate unfair competition among wholesalers and retailers who exploit the consumers and regulate wholesalers and retailers;
  - (e) to invite more foreign investment; and
  - (f) to create more job opportunities for national citizens.

### Definition

3. The definitions of Retail and Wholesale Trading are given hereunder: -
  - (a) **Retail Trading** means selling goods to the public who buy a small number of goods not for re-selling, but for consuming; and
  - (b) **Wholesale Trading** means selling a large number of goods to retailers or manufacturers.

### Permit to trade

4. Myanmar companies, 100% foreign companies and JV companies are permitted to trade: -
  - (a) goods either imported from abroad or manufactured in the Union (except the restricted and prohibited goods) in either wholesale or retail mode; and
  - (b) in any Regions/States in accordance with the stipulations.

### Criteria

5. 100% foreign companies and JV companies must comply with the following conditions to operate either Retail Trading or Wholesale Trading: -
  - (a) 100% foreign companies shall: -
    - (i) invest USD 5 million and above (not including land rent) in goods for Wholesale Trading; and
    - (ii) invest USD 3 million and above (not including land rent) in goods for Retail Trading.
  - (b) JV companies where:
    - (i) Myanmar citizens hold 20% equity ratio shall: -
      - (aa) invest USD 2 million and above (not including land rent) in goods for Wholesale Trading; and
      - (bb) invest USD 700,000 and above (not including land rent) in goods for Retail Trading; and
    - (ii) Myanmar citizens hold less than 20% equity ratio shall comply with the conditions in Section 5(a).
6. Myanmar companies can inject initial capital as much as they afford to operate either Retail Trading or Wholesale Trading.

### Conditions

7. Myanmar companies, 100% foreign companies and JV Companies must comply with the following conditions to operate either Retail Trading or Wholesale Trading: -
  - (a) any Myanmar companies, 100% foreign companies and JV companies that are incorporated after the date of this Notification shall apply to the Ministry of Commerce for registering their wholesale or retail trading business by attaching: -
    - (i) a company incorporation certificate;
    - (ii) MIC Endorsement and Permit (copy) (for foreign companies and JV companies that fall under the criteria of MIC to obtain MIC Permit);
    - (iii) the recommendation of the relevant city development committee or city development committee in the relevant Region/State;
    - (iv) the list of goods to be traded in wholesale/retail mode; and
    - (v) the business plan mentioning the initial capital amount, location and area of the business, etc.
  - (b) Myanmar companies that have already operated Wholesale Trading or Retail trading with an initial capital of USD 700,000 and above shall register their business at the Ministry of Commerce within 150 days from the date of this Notification by submitting: -
    - (i) a company incorporation certificate;

- (ii) the list of goods being traded in wholesale or retail;
  - (iii) the business plan mentioning the investment amount that is circulated in the business, location and area of the trading business; and
  - (iv) the business plan mentioning the number of divisions and list of goods being traded in the divisions if there are more than one business unit.
- (c) Companies that operate Retail Trading or Wholesale Trading shall comply with the rules and regulations set by Nay Pyi Taw/ Yangon/ Mandalay City Development Committee or City Development Committee in the relevant Region/State and regional authority for location and area for their trading businesses, number of business units and date and time for opening.
- (d) Companies that will operate Retail Trading or Wholesale Trading shall comply with the relevant laws, rules, procedures and regulations in order not to damage the environment and to fulfill the guarantee putting on products and services, to sell and distribute qualified goods for safety of consumers.

### **Prohibitions**

8. No Myanmar Companies, 100% foreign companies or JV companies shall trade goods that are prohibited or restricted under the laws, notifications and regulations in force.
9. No 100% foreign companies or JV companies shall operate Retail Trading including convenience store and mini markets with a floor area of less than 929 square meters.
10. Myanmar Companies, 100% foreign companies and JV companies shall not enter into unfair competitions when trading goods or services and shall comply with the laws, rules and regulations in the Union.

### **Payment of Taxes**

11. Myanmar Companies, 100% foreign companies and JV companies shall pay the fees and taxes for Retail Trading and Wholesale Trading in accordance with the laws, rules, regulations, orders, directives and procedures in force of the relevant departments.

### **Monitoring**

12. The Ministry of Commerce shall, in cooperation with the relevant government departments, monitor and inspect the companies to check whether or not they comply with the conditions herein or they follow the procedures mentioned under their business plans for further development of local sale and distribution sector. The wholesalers and retails shall provide the required information and documents for effective implementation of monitoring.

### **Taking actions**

13. If Myanmar company or 100% foreign company or JV company is found to have violated

the conditions herein, the actions will be taken in accordance with the laws, rules, orders and directives made by the Ministry of Commerce.

14. Myanmar Companies, 100% foreign companies and JV companies shall comply with not only the laws and regulations made by the Ministry of Commerce but also laws and regulations related with trading and if they are found to have violated such laws and regulations, the actions will be taken in accordance with the relevant laws, rules and regulations.

### **Miscellaneous**

15. These conditions shall apply to all Myanmar companies, 100% foreign companies and JV companies that operate Retail Trading or Wholesale Trading.
16. However, Myanmar companies that operate Retail Trading or Wholesale Trading with an initial capital amount of less than USD 700,000 or equivalent Myanmar kyat are exempted from compulsory registration for the business as per Section 7 (a).
17. Companies that are registered in the Ministry of Commerce for Retail/Wholesale Trading shall notify the Ministry of Commerce within 90 days before opening any branch offices or extending the business if they are desirous to do so.
18. The conditions for Retail/Wholesale Trading will be revised and amended in accordance with the needs of the Union.