

Cancellation of Foreign Currency Conversion Exemption for Foreign-Owned Company

On 13th July 2022, the Central Bank of Myanmar (“**CBM**”) issued the Letter No. FE-1/739 to cancel the exemption of the compulsory foreign currency conversion for companies registered with the Directorate of Investment and Company Administration (DICA) with 10% or more of foreign ownership (“**Foreign Companies**”).

The CBM also issued the Letter No. FE-1/754 on 15th July 2022 to order the authorized dealer banks in Myanmar to convert foreign currency held in the foreign currency accounts of companies registered with the DICA with up to 35% foreign ownership (“**Local Companies**”) into MMK.

According to these two letters, both the Foreign Companies and the Local Companies are required to convert foreign currency in their foreign currency accounts into MMK within one working day as required under the CBM Notification No. 12/2022.

However, the foreign currency conversion exemption still applies to following entities:-

- companies operating with the MIC permits issued by the Myanmar Investment Commission (“**MIC**”);
- companies operating in the Special Economic Zone companies;
- companies operating in the Sino-Myanmar and Thai-Myanmar border trade;
- international organizations;
- International Non-Governmental Organizations (INGOs);
- Union Ministries;
- International airlines;
- International freight forwarders companies;
- Shipping line companies, Freight forwarding services, or Ground handling services company.

**Khin Khin Zaw**

Partner

khinkhinzaw@lawplusltd.com**Ei Mon Thant**

Associate

eimonthant@lawplusltd.com**LawPlus Myanmar Ltd.****Unit No. 520, 5th Floor, Hledan Centre, Corner of Pyay Road and Hledan Road****Kamayut Township, Yangon, Myanmar****Tel. +95 92 6111 7006, +95 92 6098 9752****www.lawplusltd.com**

The information provided in our LawPlusUpdates is general in nature and may not apply to any specific situation. Specific advice should be sought before taking any action based on the information provided. Under no circumstances shall LawPlus Ltd., LawPlus Myanmar Ltd., or any of their directors, partners and lawyers be liable for any direct or indirect, incidental or consequential loss or damage that may result from the use of or the reliance upon the information contained in our LawPlusUpdates. Copyright © 2022 LawPlus Ltd.