

## Wholesale and Retail Sale in Myanmar Allowed for Foreigners

On 9<sup>th</sup> May 2018, the Ministry of Commerce of Myanmar (“**MOC**”) issued its Notification No. 25/2018 to regulate and facilitate wholesale and retail sale businesses (“**Notification**”). The Notification applies to all wholesale and retail sale businesses owned and operated by foreigners or Myanmar nationals or their joint ventures.

### 1. Wholesale and Retail Sale

Under the Notification, “**Wholesale**” is defined as a sale of goods in a large quantity to retailers or manufacturers. “**Retail Sale**” is defined as a sale of goods in a small quantity to people for consumption but not for resale. Wholesaling and retail selling of goods manufactured in Myanmar or imported goods are allowed except for goods prohibited under certain specific laws and regulations.

The Notification allows foreign wholly-owned companies (“**FOC**”) and Myanmar-foreign joint venture companies (“**JVC**”) to operate wholesale business and retail sale business. Companies wholly-owned by Myanmar nationals (“**MMOC**”) with investment capital less than USD700,000) are also allowed to operate wholesale and retail sale businesses.

However, FOC and JVC are not allowed to operate a minimart or convenience store that has a floor area of less than 929 sqm.

### 2. Minimum Investment Capital

FOC and JVC which operate the wholesale business or the retail sale business must have a minimum investment capital, excluding costs of land lease, as follows:-

Type of Company	Minimum Investment Capital (USD)	
	Wholesale	Retail Sale
FOC	5 million	3 million
JVC	2 million	700,000

The minimum investment capital for FOC will be applied to a JVC in which less than 20% of the share capital is owned by Myanmar nationals.

MMOCs operating a wholesale business or a retail sale business are not subject to a minimum investment capital.

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### 3. Business Registration

Each of the MMOC, FOC and JVC must obtain from the MOC a Wholesale Registration Certificate in order to operate a wholesale business.

A Retail Registration Certificate must be obtained from the MOC to operate a retail sale business.

The operator of a wholesale or retail sale business must notify the MOC at least 90 days before opening a new outlet or expanding an existing outlet in addition to those previously approved by the MOC.

MMOC with investment capital less than USD700,000 is not required to be registered with the MOC to operate a wholesale or retail sale business.

### 4. Requirements for Business Registration

For companies registered before 9<sup>th</sup> May 2018:-

- (1) Company Registration Certificate
- (2) Copy of the MIC Permit or copy of the MIC Endorsement
- (3) Recommendation letter issued by the relevant City Development Committee or the relevant Township Development Committee
- (4) List of goods to be sold and distributed
- (5) Detailed business plan showing initial capital amount, location, floor space, etc.

For MMOCs with investment capital more than USD700,000 established before 9<sup>th</sup> May 2018:-

- (1) Company Registration Certificate
- (2) List of goods to be sold and distributed
- (3) Detailed business plan showing initial capital amount, location, floor space, number of branches, etc.

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