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Myanmar Highlights

February 2015

Myanmar considering sale of baht-denominated bonds

According to Thailand's Securities and Exchange Commission (**Thai SEC**), Myanmar is considering the sale of baht-denominated bonds. Officials from the Thai SEC met with officials from the Myanmar to discuss the sale of debt to finance infrastructure projects. Thailand is seeking to become a financial hub in Southeast Asia, and Thai SEC officials have also discussed the feasibility of selling baht-denominated bonds with their counterparts in Cambodia and Vietnam. Sovereign issuers do not require a credit rating when issuing bonds in Thailand. Mr. Vorapol Socratyanurak, Secretary General of the Thai SEC's said that baht-denominated Myanmar bonds will offer "attractive investment alternatives for Thai and international investors". In 2013, the Laotian government raised a combined 4.5 billion baht from two baht-denominated bond sales. According to the Asian Development Bank, Myanmar needs to raise approximately US\$80 billion to invest in infrastructure projects to support growth over the next fifteen years.

(Source: <http://www.bangkokpost.com/business/finance/466298/myanmar-weighs-sale-of-baht-denominated-bonds>, 5 February 2015)

Department of Civil Aviation announces construction of Hanthawaddy International Airport to begin in 2016

Myanmar's Department of Civil Aviation (**DCA**) has announced that construction on the Hanthawaddy International Airport in Bago will begin in 2016 and will be completed by 2020. The airport will be developed in a public-private partnership. A consortium comprised of Singaporean firms Yongnam

Holdings Ltd., Changi Airport Planners and Engineers, and Japan's JGC Corporation will provide 50% of the estimated total project cost of US\$1.5 billion. On completion, the airport will be the largest airport in Myanmar and will replace Yangon's Mingalardon Airport as the primary gateway to Myanmar.

(Source: <http://www.mmbiztoday.com/articles/hanthawaddy-airport-construction-start-2016>, 3 February 2015)

Myanmar ranks last in World Wide Web Foundation report

According to the World Wide Web Foundation (**WWWF**), Myanmar ranked last among 86 countries surveyed in relation to the open availability of information online. The WWWF's 'Open Data Barometer' (**Open Data Report**) assesses countries on, "legal, political, economic, social, organisational, and technical foundations that can support the supply and use of open data," along with the ability to access data, and data's ability to impact society. Countries were ranked on how readily their governments make data available online, including information on government budgets and spending, public sector contracts, company ownership, health services and education. Myanmar ranked among the bottom 5 countries along with Haiti, Mali, Cameroon, and Yemen. The Open Data Report did note recent positive developments in Myanmar, including the awarding of licences to international telecom companies and the launch of online services by certain Government offices and Ministries. The United Kingdom topped the rankings for the second consecutive year, followed by the United States, Sweden, France and New Zealand.

(Source: <http://www.mmbiztoday.com/articles/myanmar-ranks-dead-last-online-data-accessibility>, 27 January 2015)

Central Bank of Myanmar defends lacklustre bond sale

The Central Bank of Myanmar's (CBM) first public bond issuance since 2010 has resulted in the sale of less than half of the total offering of Kyat 50 billion. The sale, which took place on 28 January, netted approximately Kyat 21.5 billion (or approximately US\$21 million). Just five of Myanmar's 40 licensed financial institutions, including its 23 private banks, participated in the auction. The bonds were sold with an 8% yield. The CBM said it viewed the sale as a success and that it anticipated greater demand in future issuances.

(Source: <http://www.bangkokpost.com/business/finance/467400/myanmar-defends-lacklustre-bond-sale>, 5 February 2015)

Rice Communications to establish Yangon office

Singapore-based boutique communications agency Rice Communications (Rice) has announced it has opened a new Yangon office. Rice, which was established in 2009, provides PR and communications services to companies seeking to build their profile across the Asia Pacific region. Rice's clients included companies operating in the automotive, consumer, healthcare, travel and hospitality, mining and energy, and technology sectors. When making the announcement, Rice's founder and managing partner Sonya Madeira noted "Myanmar is the most exciting emerging market in Asia, and phenomenal growth is on the cards this year as the country leapfrogs into the digital age," Rice is a wholly-owned subsidiary of Sirocco Holdings Private Limited.

(Source: <http://www.mmbiztoday.com/articles/rice-communications-opens-myanmar-office>, 3 February 2015)

Reform of Myanmar Companies Act necessary to accommodate foreign participation in YSX

Foreigners will be unable to buy shares on the Yangon Stock Exchange (YSX) until amendments have been made to the Myanmar Companies Act (MCA). According to section 2d of the MCA, only companies wholly owned by Myanmar citizens are regarded as 'domestic companies'. The MCA defines a company as 'foreign-owned' even in circumstances where just a single share is foreign-owned. Under Myanmar law, foreign-owned companies are subject to certain obligations and restrictions which do not apply to domestic companies. These include, but are not limited to, a restriction on the outright ownership of land and a requirement to register with

the Myanmar Investment Commission (MIC). The MIC is preparing a draft amendment to the MCA. The draft will then be published as part of a public consultation process.

(Source: <http://www.mmbiztoday.com/articles/foreign-participation-ysx-hinges-law-reform-minister>, 29 January 2015)

Myanmar garment industry to introduce new 'Code of Conduct'

The Myanmar Garment Manufacturers Association (MGMA) has published a Code of Conduct (Code) setting out responsible and ethical business practices for Myanmar's growing apparel industry. The Code was drafted by the MGMA after consultations with the EU-funded 'SMART Myanmar Programme' and meetings with international brands and partners. The Code aims to provide a benchmark for responsible business practices in Myanmar's garment sector and takes into account the concerns voiced by activists and factory workers concerning working conditions and low wage levels in the sector. Myanmar's garment sector is growing. The MGMA currently represents 300 companies with between 150,000 and 250,000 employees. Myanmar's garment exports exceeded US\$1 billion in the year ending 31 March 2014.

(Source: <http://www.eco-business.com/news/myanmar-garment-industry-gets-code-conduct/>, 5 February 2015)

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