



MYANMAR 2026

**THILAWA SPECIAL ECONOMIC ZONE:
A COMPREHENSIVE REGULATORY GUIDE**

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1

INTRODUCTION

This comprehensive guide examines the regulatory framework governing Thilawa Special Economic Zone (SEZ), Myanmar's flagship industrial and manufacturing zone located approximately 25 kilometres south of Yangon. Thilawa SEZ represents a cornerstone of Myanmar's economic reform strategy, offering investors preferential tax treatment, streamlined administrative procedures, and modern infrastructure within a designated geographic area.

The Special Economic Zone Law of 2014 established the foundational legal framework for SEZs throughout Myanmar. Thilawa SEZ, developed through a Myanmar-Japan partnership, has emerged as the most successful implementation of this framework, attracting diverse manufacturing, logistics, and processing operations since commencing operations in 2015.

This guide consolidates all material regulatory provisions, instructions, notices, and standard operating procedures issued by the Thilawa SEZ Management Committee (TSMC). It provides practical guidance on licensing, company registration, labour relations, environmental compliance, taxation, customs procedures, construction permits, immigration requirements, and infrastructure use.

The analysis is structured to serve as a comprehensive reference for investors, legal practitioners, consultants, and government officials involved in Thilawa SEZ operations. Each section addresses specific regulatory domains, incorporating relevant legislative provisions, administrative instructions, procedural requirements, fees, timelines, and enforcement mechanisms. The guide maintains fidelity to official regulatory language whilst providing clear explanations suitable for practical application.

2 MYANMAR'S SPECIAL ECONOMIC ZONE LEGAL FRAMEWORK

2.1 Legislative Foundation and Objectives

The Myanmar Special Economic Zone Law, 2014 (The Pyidaungsu Hluttaw Law No. 1/2014) is the primary legislation governing SEZs in Myanmar. This law repealed previous SEZ legislation, including the Myanmar Special Economic Zone Law (The State Peace and Development Council Law No. 8/2011) and The Dawei Special Economic Zone Law (Law No. 17/2011), creating a unified legal framework applicable to all designated SEZs.

The legislation establishes comprehensive objectives designed to align SEZ activities with national economic development plans. These objectives include promoting balanced industrial, economic, and social development; encouraging export-oriented industries; attracting both domestic and foreign investment; creating employment opportunities; improving the living standards of citizens; and providing solid legal foundations for developers and investors operating within designated zones. These objectives reflect Myanmar's broader economic liberalisation agenda and its integration into regional and global supply chains.

The SEZ Law grants the Union Government authority to designate and establish SEZs in strategic locations, determine permitted industries and activities, provide tax and customs incentives, establish governance structures, and coordinate zone development with national infrastructure and industrial policies. The law balances investor incentives with regulatory oversight, environmental protection, labour standards, and revenue collection.

2.2 Institutional Governance Structure

The SEZ Law establishes a multi-tiered governance structure designed to facilitate policy coordination, streamline decision-making, and ensure effective zone management.

The Central Body is established by the Union Government to oversee the implementation of SEZ policies, designate and establish SEZs, supervise Management Committees, determine permitted industries and investment categories, levy taxes and fees, establish one-stop service offices, and coordinate with relevant Union-level departments. The Central Body functions as the apex policy-making authority, ensuring that SEZ development aligns with national priorities.

The Central Working Body assists the Central Body by scrutinising proposals for SEZ establishment and development projects, conducting feasibility assessments, and submitting recommendations to the Central Body. This body provides technical and administrative support, enhancing the quality of decision-making at the central level.

Management Committees are formed for each individual SEZ to handle day-to-day management and supervision, process investment permit applications, approve project proposals, coordinate with governmental agencies and departments, issue notifications and instructions, manage one-stop service centres, and generally oversee zone operations. The Management Committee serves as the primary interface between investors and government authorities, exercising significant discretion over permits, approvals, and regulatory enforcement.

2.3 Thilawa SEZ Management Committee

The Thilawa SEZ Management Committee (TSMC) is the regulatory authority responsible for administering Thilawa SEZ. The TSMC comprises representatives from relevant government ministries and agencies, including the Ministry of Planning and Finance, the Ministry of Commerce, the Ministry of Industry, the Directorate of Investment and Company Administration (DICA), Myanmar Customs Department, Internal Revenue Department, Ministry of Labour, Immigration and Population, Environmental Conservation Department, Yangon Region Government, and other relevant bodies.

The TSMC's mandate includes evaluating and approving investment proposals with defined scrutiny criteria, issuing business permits and operational licences, supervising construction and environmental compliance, managing the One-Stop Service Centre (OSSC), issuing notifications, instructions, and standard operating procedures, coordinating with developers on infrastructure and services, resolving disputes, enforcing regulations, and designating approval authorities for imported goods registration.

The TSMC meets regularly to review investment applications, approve permits, issue regulatory instructions, resolve disputes, and coordinate policy implementation. It exercises broad discretionary authority over zone operations, ensuring that investor activities align with national policies and zone development objectives.

2.4 One-Stop Service Centre Mechanism

The One-Stop Service Centre (OSSC) is established within Thilawa SEZ as a consolidated service hub for issuing permits, conducting company registrations, issuing visas, collecting taxes, registering labour, clearing customs, and providing other investor services. The OSSC model is central to Myanmar's SEZ value proposition, offering investors streamlined access to government services without the need to navigate multiple agencies and locations.

The OSSC at Thilawa SEZ houses representatives from the Directorate of Investment and Company Administration (DICA) for company registration, Internal Revenue Department (IRD) for tax registration and collection, Immigration Department for visa and stay permit services, Labour Department for employment registration and work permits, Customs Department for customs clearance and bonded warehouse oversight, Environmental Conservation Department for environmental approvals and monitoring, and Central Bank for foreign exchange approvals and reporting.

This co-location model dramatically reduces processing times, enhances transparency, and provides investors with a single point of contact for regulatory compliance. Notice No. 01/2020 (18 May 2020) clarifies that the OSSC provides all governmental services directly to investors. TSMC has not and will not authorise or appoint any agent companies or brokers to provide OSSC services on behalf of investors. Whilst investors may appoint personal agents for temporary convenience, such appointments must be disclosed to TSMC, and agents with any relationship to TSMC or OSSC personnel are strictly prohibited.

2.5 TSMC Commercial Entity Status

Notice No. 02/2016 (27 May 2016) establishes Thilawa SEZ Management Committee Co., Ltd. (TSMCC) as a commercial entity responsible for managing payments, contracts, investments, and other commercial activities related to the development and operation of Thilawa SEZ. TSMCC is subject to applicable taxes and operates in accordance with Myanmar company law. This structure enhances operational flexibility and financial management whilst maintaining governmental oversight through the Management Committee.

3 ZONE CLASSIFICATIONS AND TAX INCENTIVES

3.1 Free Zones versus Promotion Zones

Myanmar's SEZ Law distinguishes between two principal zone types: Free Zones and Promotion Zones, each offering distinct regulatory treatment, particularly concerning customs and taxation.

Free Zones are considered outside Myanmar's customs territory. They are primarily focused on export-oriented manufacturing and trade, enjoying comprehensive customs and tax exemptions on imported capital goods, raw materials, and intermediate inputs. Free Zones function as extra-territorial enclaves where goods can be imported, stored, processed, and re-exported without incurring customs duties or commercial taxes. This regime is particularly attractive for export-oriented manufacturers seeking to integrate into global supply chains.

Promotion Zones are treated as domestic tariff areas, where production primarily serves the Myanmar domestic market, though exports are permitted. Businesses operating in Promotion Zones face different tax treatments and must generally pay customs duties on imported raw materials, subject to certain exemptions, reliefs, and refund schemes for exported products. Promotion Zones are designed to stimulate the domestic industry and encourage import substitution whilst still offering investors more favourable conditions than the general economy.

Both Thilawa Zone A and Zone B contain Free Zone and Promotion Zone areas, allowing investors to select the regime most appropriate to their business model.

3.2 Income Tax Exemptions and Reliefs

The SEZ Law provides generous income tax holidays designed to attract investment and facilitate early-stage profitability. Investors conducting business in Free Zones receive an income tax exemption for the first seven years after commencing commercial operations. Investors in Promotion Zones are granted an income tax exemption for the first five years. Following the initial exemption period, graduated tax reliefs apply in subsequent years, with reinvestment incentives available to investors who reinvest profits to expand or upgrade their operations.

The post-exemption relief structure typically involves a phased reduction in tax relief percentages over several years (generally 50% income tax reduction for five years after the income tax exemption period), gradually transitioning investors to the standard corporate tax rate. Reinvesting profits into productive capacity can extend relief periods by another years, thereby incentivising capital formation within the zones.

Developers responsible for constructing and managing SEZ infrastructure receive income tax exemption for eight years from the commencement of operations, with graduated reliefs applicable in subsequent years. This incentive structure recognises the substantial upfront capital investment required for zone development and provides developers with a reasonable period to recover costs and achieve profitability.

3.3 Customs Duties and Import Treatment

Customs treatment varies significantly between Free Zones and Promotion Zones. Customs duties and other taxes are fully exempted on imports of capital goods, raw materials, components, and construction materials into Free Zones. Goods moving from Free Zones to Promotion Zones or the domestic market are treated as imports and are subject to applicable customs duties, commercial taxes, and other levies. This ensures that the Free Zone's extra-territorial status is preserved and that domestic revenue collection is not undermined.

Promotion Zone businesses must pay customs duties on imported inputs, though exemptions and refund mechanisms exist for goods ultimately incorporated into exported products. Simplified customs procedures, including Post Clearance Audit mechanisms and customs inspections conducted at the OSSC, facilitate efficient goods movement whilst maintaining compliance and revenue collection.

3.4 Developer Privileges

In addition to tax holidays, developers enjoy various privileges, including land use rights for extended periods (typically 50 years with 25-year renewal options), rights to sub-lease land to investors, tariff-setting authority for utilities and services (subject to Management Committee approval), and exemptions on construction material imports. These privileges enable developers to recoup infrastructure investments and maintain sustainable zone operations.

4 INVESTMENT LICENSING AND PERMIT PROCEDURES

4.1 Application Requirements and Scrutiny Criteria

Investors seeking to establish operations in Thilawa SEZ must submit comprehensive proposals to the Thilawa SEZ Management Committee. Required documentation includes detailed project descriptions, land use plans, water and electricity demand estimates, building and construction plans, machinery and equipment lists, environmental management plans, production processes and outputs, raw material sourcing strategies, employment plans, and financial projections.

Notice No. 01/2015 (8 January 2015) establishes that the Management Committee scrutinises all investment applications based on economic contribution and may reject applications on the following grounds: false or misleading information provided in the application; collusion amongst applicants to manipulate the approval process; attempts to bribe officials or offer inducements; threatening behaviour or coercion directed at officials or competitors; or other conduct inconsistent with transparent and fair investment procedures.

Applications must demonstrate alignment with permitted activities, compliance with zoning and environmental regulations, and economic viability. Sector-specific requirements may apply, particularly for activities involving hazardous materials, food production, pharmaceuticals, or other regulated industries.





4.2 Evaluation and Approval Process

The Management Committee evaluates proposals based on economic merit, environmental sustainability, compliance with regulations, and contribution to national development objectives. Upon approval, the Committee issues a business permit specifying permitted products, production capacity, operational conditions, and reporting obligations. The standard review period is 30 days from receipt of a complete application, though complex projects may require extended evaluation.

Notification No. 81/2014 issued by the Thilawa SEZ Management Committee sets out the application procedures for permits to conduct business in Thilawa SEZ, specifying required documentation, evaluation criteria, approval timelines, and conditions attached to permits. This notification provides transparency and predictability, enabling investors to prepare applications efficiently and understand approval standards.

Approved investors proceed to lease negotiations with Myanmar Japan Thilawa Development Ltd (MJTD), company registration, and obtaining operational licences and permits through the OSSC.

4.3 Responsible Investment Principles

Notice No. 04/2015 (7 August 2015) establishes principles for responsible investment that all Thilawa SEZ investors must observe. These principles require investors to respect human rights in accordance with Myanmar laws and international standards; engage meaningfully with affected stakeholders and communities; respect workers' rights, including

freedom of association, collective bargaining, and safe working conditions; establish accessible grievance mechanisms for workers and community members; operate with transparency and disclose relevant operational information; and support community welfare and development initiatives.

The notice aligns Thilawa SEZ operations with international frameworks, including the UN Guiding Principles on Business and Human Rights, ILO Core Labour Standards, and OECD Guidelines for Multinational Enterprises. Investors are expected to conduct human rights due diligence, assess social and environmental impacts, and implement mitigation measures where adverse impacts are identified.

4.4 Anti-Corruption Declaration Requirements

Notice No. 01/2016 (9 May 2016) requires all investors in Thilawa SEZ to sign Anti-Corruption Declarations committing to refrain from offering or accepting bribes, kickbacks, or improper inducements to or from officials or other parties; conduct business transparently and in accordance with applicable laws; include anti-corruption clauses in contracts with contractors, subcontractors, suppliers, and agents; and report any corrupt practices encountered to TSMC immediately.

Violations of anti-corruption commitments result in termination of business permits and lease agreements; bans from future investment in Thilawa SEZ; referral to law enforcement authorities for criminal prosecution; and public disclosure of violations. The anti-corruption framework aligns with international standards including the UN Convention Against Corruption and OECD Anti-Bribery Convention.



5 COMPANY REGISTRATION AND CORPORATE COMPLIANCE

5.1 Myanmar Companies Online (MyCO) System

All investors operating in Thilawa SEZ must register their companies via the Myanmar Companies Online (MyCO) system administered by the Directorate of Investment and Company Administration (DICA). The MyCO platform is an online portal enabling the electronic submission of company registration applications, amendments, and annual returns. Registration through MyCO is mandatory for all new companies and existing companies operating within SEZs.

The MyCO system represents a significant modernisation of Myanmar's company registration framework, enhancing transparency, reducing processing times, and enabling remote access for foreign investors. Existing companies operating in Thilawa SEZ prior to the introduction of the MyCO system were required to re-register before 31 January 2019.



5.2 Registration Procedures and Documentation

Required documents for company registration include completed application forms, company constitution (memorandum and articles of association), directors' and shareholders' identification documents (passports or national ID cards), registered office address details, and payment of registration fees. The standard registration fee is 250,000 Myanmar Kyat (MMK). Upon successful registration, companies receive a Certificate of Incorporation and a unique company registration number.

Processing times are typically 3-5 working days for straightforward applications, provided all documentation is complete and accurate. Fees for company registration and amendments are standardised, with the basic registration fee set at 250,000 MMK. Fees for constitutional amendments, name changes, share capital alterations, and other filings range from 10,000 to 100,000 MMK, depending on the nature of the amendment.

5.3 Annual Returns and Amendments

All registered companies must file annual returns via the MyCO system, confirming company details, shareholding structures, directors, registered office address, and financial summaries. Annual return filing is mandatory, with penalties imposed for late or absent filings. Changes to company information—including amendments to the constitution, changes in company name, increases or decreases in share capital, changes in directors or shareholders, and relocation of the registered office—must be reported promptly through the MyCO system, accompanied by relevant supporting documents and fees.

Timely compliance with annual return and amendment filing requirements is essential to maintain good standing and avoid penalties.

EMPLOYMENT CONTRACTS

6 LABOUR RELATIONS AND EMPLOYMENT REGULATIONS

6.1 Employment Contract Requirements

Employment agreements in SEZs must conform to Myanmar's existing Labour Laws, including the Employment and Skill Development Law, the Social Security Law, the Leave and Holidays Act, the Minimum Wage Law, and related regulations. Investors must sign written employment contracts with all workers, specifying job descriptions, wages, working hours, leave entitlements, termination procedures, and dispute resolution mechanisms.

Contracts must be in both the Myanmar language and, if applicable, the worker's native language or a mutually understood language. Standard templates are available, though customisation to specific roles and sectors is permitted within legal boundaries.

6.2 Foreign Worker Registration and Permits

Investors employing foreign workers must register employment contracts and obtain work permits through the OSSC Labour Section. Required documents include completed application forms, foreign workers' passports, recent photographs, employment contracts, and payment of registration fees. Upon approval, foreign workers receive Foreign

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Worker Employment Registration Cards, typically issued the same day or the next day. Work permits are valid for the duration of the employment contract or one year, whichever is shorter, and must be renewed prior to expiry.

Foreign workers must also obtain appropriate visas and stay permits from the Immigration Department's OSSC office, ensuring full compliance with immigration regulations.

6.3 Monthly Reporting Obligations and Templates

Notice No. 02/2015 (19 March 2015) requires investors to submit monthly employment reports to the OSSC Labour Section, listing all employees (local and foreign), their positions, wages, contract status, and any changes in employment (new hires, terminations, resignations). These reports enable authorities to monitor compliance with labour laws, track employment trends, and ensure proper social security contributions.

The standardised Reporting Recruitment Status Template provided with Notice No. 02/2015 specifies the required data fields, including employee NRC/Passport number, name, position, nationality, salary, contract start date, and employment status. Investors

must complete and submit this template monthly by the specified deadline. Failure to submit timely and accurate reports may result in penalties, suspension of work permit approvals, or other enforcement actions.

6.4 Local Employment Prioritisation

Myanmar's SEZ Law and labour regulations prioritise employment of Myanmar nationals, particularly in non-technical and semi-skilled positions. Investors must demonstrate efforts to recruit and train local workers, with targets set for increasing the proportion of skilled Myanmar nationals in technical and managerial roles over time. Typically, investors are expected to employ at least 75% Myanmar nationals within the first three years of operations, increasing to 90% or more over subsequent years.

Exemptions and flexibility are granted for highly specialised or technical positions where qualified Myanmar nationals are unavailable, subject to Management Committee approval. Investors are encouraged, and in some cases required, to conduct training programmes for local employees to develop technical and managerial skills.



7 ENVIRONMENTAL PROTECTION FRAMEWORK

7.1 Environmental Conservation and Prevention Plans

All investors in Thilawa SEZ must submit an Environmental Conservation and Prevention Plan (ECPP) to the OSSC Environmental Section before commencing construction activities. The ECPP outlines anticipated environmental impacts, mitigation measures, pollution control systems, waste management procedures, monitoring protocols, and emergency response plans. The Environmental Section reviews the ECPP for compliance with Myanmar environmental laws and international best practices, providing feedback and requiring amendments where necessary before granting approval.

The ECPP serves as the foundational environmental management document, guiding construction and operational practices throughout the project lifecycle.

7.2 Initial Environmental Examination and Environmental Impact Assessment

Depending on the project's scale, sector, and potential environmental impact, investors may be required to conduct an Initial Environmental Examination (IEE) or a full Environmental Impact Assessment (EIA). IEEs apply to moderate-impact projects, whilst EIAs are mandatory for high-impact industries such



as chemicals, heavy manufacturing, large-scale processing, or activities involving hazardous materials.

EIAAs involve comprehensive environmental baseline studies, impact prediction and assessment, public consultation and disclosure, and detailed mitigation and monitoring plans. The EIA process includes submission of draft reports, review by the Environmental Conservation Department, public hearings in affected communities, and final approval conditional on implementing recommended mitigation measures.

7.3 Monitoring and Reporting Requirements

Investors must conduct regular environmental monitoring during both construction and operational phases, tracking key parameters such as air quality, water quality, noise levels, waste generation, and compliance with discharge limits. Monitoring results are compiled into biannual environmental reports submitted to the OSSC Environmental Section and MJTD. Reports must include data tables, trend analysis, identification of non-compliance incidents, corrective actions taken, and plans for continuous improvement.

Failure to submit monitoring reports or evidence of non-compliance triggers inspections, warnings, and potential enforcement actions.

7.4 Pollution Control Standards

Thilawa SEZ enforces stringent pollution control standards aligned with Myanmar national environmental quality standards and International Finance Corporation (IFC) Environmental, Health, and Safety (EHS) Guidelines. Specific limits apply to wastewater discharge parameters (pH, biochemical oxygen demand, chemical oxygen demand, suspended solids, oil and grease, heavy metals), air emissions (particulate matter, sulphur dioxide, nitrogen oxides, volatile organic compounds), and noise levels (daytime and night-time limits for industrial areas).

Investors must install and maintain pollution control equipment, including wastewater pre-treatment systems, air scrubbers, dust collectors, and noise barriers as necessary to achieve compliance. Regular calibration and maintenance of monitoring equipment and pollution control systems are mandatory, with records subject to inspection.

The OSSC Environmental Section and MJTD conduct periodic inspections to verify compliance with environmental standards and ECPP commitments. Non-compliance is addressed through a graduated enforcement approach: verbal warnings for minor violations, written warnings and corrective action orders for moderate violations, and fines, suspension of utility services, or termination of lease agreements for serious or repeated violations.



8

TAXATION AND FINANCIAL REGULATIONS

8.1 Tax Registration Procedures

All investors operating in Thilawa SEZ must register for a Taxpayer Identification Number (TIN) with the Internal Revenue Department (IRD) at the OSSC following company registration and establishment of banking arrangements. Registration involves submitting completed application forms, company registration certificates, lease agreements, and identification documents of directors and authorised signatories. The TIN is issued within 5 working days and must be used in all tax filings, payments, and correspondence with tax authorities.

After obtaining the TIN, the taxpayer must register its business for Commercial Tax and Specific Goods Tax, as applicable. The commercial tax registration should be completed by the investor at least one month before the start of its commercial operations. Meanwhile, the specific goods tax registration, as applicable, should be completed at least three months prior to the start of commercial operations. Both commercial tax and specific goods tax registrations are subject to annual renewal.

Tax registration is a prerequisite for commencing business operations and accessing tax incentives.

8.2 Corporate Income Tax Treatment

Investors in Thilawa SEZ's Free Zones are entitled to income tax exemption for the first seven years after commencing commercial operations. Promotion Zone investors receive a five-year income tax exemption. Following the exemption period, graduated tax reliefs apply, typically 50% income tax reduction for an additional five years. Reinvestment of profits into expansion or upgrading facilities can further extend the relief periods for another five years.

Corporate income tax rates in Myanmar are subject to periodic adjustment; investors should consult current tax laws and IRD guidance for applicable rates.

8.3 Commercial Tax and Withholding Taxes

Instruction No. 04/2016 clarifies that Free Zone businesses are fully exempted from commercial tax (Myanmar's value-added tax equivalent) on sales of goods and services within the Free Zone or for export. Promotion Zone investors receive a five-year commercial tax exemption from the commencement of commercial operations, after which commercial tax becomes payable at the standard rate of 5% on sales to the domestic market.

Exemptions apply only to activities within the SEZ; sales or services provided outside the zone are subject to standard commercial tax treatment.

Investors are responsible for withholding tax on payments to contractors, service providers, and other parties as required under Myanmar tax law. Withholding tax rates vary by payment type (generally 2-15%). Employers must also withhold personal income tax from employees' salaries and wages based on progressive tax brackets, remitting withheld amounts monthly to the IRD at OSSC (or via the IRD payment platforms).

8.4 Central Bank Requirements and Capital Reporting

Foreign investors must register foreign capital inflows with the Central Bank of Myanmar through the OSSC Central Bank Office. Registration involves submitting details of capital contributions, shareholder loans, offshore borrowings, and other foreign currency transactions. Registered capital is tracked to facilitate profit repatriation, dividend payments, and capital withdrawal in the future.

Notice No. 03/2015 (8 June 2015) requires investors to report all capital brought into Myanmar within one week of receipt. Reporting must be accompanied by bank certificates confirming the capital inflow and the source of funds. The standardised Reporting

Capital Brought-In Template provided with Notice No. 03/2015 specifies required information, including date of receipt, amount in foreign currency and Myanmar Kyat equivalent, source country, purpose (equity investment or shareholder loan), and bank reference number.

Offshore loans and foreign borrowings require prior Central Bank approval, with documentation demonstrating the loan's commercial terms, repayment schedule, and consistency with exchange control regulations.

8.5 Foreign Exchange Controls and Capital Repatriation

Myanmar maintains foreign exchange controls governing currency conversion, repatriation of profits, and cross-border payments. Investors operating in SEZs benefit from streamlined procedures through the OSSC Central Bank Office. Foreign currency accounts may be opened with licensed commercial banks operating in Myanmar, enabling receipt of export proceeds, payment of import obligations, and currency conversion as needed.

Repatriation of profits, dividends, and capital requires documentation demonstrating tax compliance and proper accounting treatment. Foreign investors are permitted to repatriate capital, profits, and dividends after fulfilling tax obligations and obtaining necessary approvals. Repatriation applications are submitted to the Central Bank OSSC Office with supporting documents, including audited financial statements, tax clearance certificates and proof of tax payments, board resolutions authorising repatriation, and bank transfer instructions. Following approval, repatriation remains subject to documentation checks and regulatory processes, the timing of which is dependent on prevailing conditions.



9 CUSTOMS ADMINISTRATION AND WAREHOUSE OPERATIONS

9.1 Customs Clearance Procedures

The Customs Department maintains an office within the OSSC to facilitate streamlined customs clearance for SEZ investors. Simplified procedures include electronic submission of import and export declarations, duty-free import of capital goods and raw materials for Free Zone operations, expedited inspections, and Post Clearance Audit mechanisms that allow goods release prior to full documentation review, with retrospective verification ensuring compliance.

Customs procedures differ for Free Zone and Promotion Zone businesses, reflecting their distinct tariff treatments.

9.2 SEZ Warehouse Operations

Instruction No. 05/2016 and its amendment (Instruction No. 01/2017) govern the establishment and operation of SEZ warehouses within Thilawa. SEZ warehouses function as bonded warehouses, allowing storage and limited processing of goods without payment of customs duties or commercial taxes. Only registered logistics companies meeting specified criteria may operate SEZ warehouses. Warehouse operators must maintain detailed inventory records, submit monthly reports to Customs, and facilitate inspections upon request.

Instruction No. 01/2017 (Amendment to SEZ Warehouse Instruction) updates operational requirements, reporting procedures, and compliance standards for



bonded warehouse operators, including enhanced inventory management protocols, stricter record-keeping requirements, and revised fee structures.

Goods stored in SEZ warehouses may be re-exported, moved to Free Zone factories, sold to Promotion Zone businesses (subject to duty payment), or released to the domestic market upon payment of applicable duties and taxes.

9.3 Handling of Cargos Held on Account (2017 Amendments)

Original Framework

Instruction No. 06/2016 establishes procedures for handling cargoes held on account—goods temporarily detained due to incomplete documentation, discrepancies, or pending regulatory approvals. Cargos held on account must be reported immediately to Customs, sealed and stored in designated secure areas, and subjected to documentation rectification within specified timeframes.

First Amendment (Instruction No. 01/2017, dated 14 July 2017)

Instruction No. 01/2017 amends the definitions in both "Instruction on SEZ Warehouse" (Instruction 05/2016) and "Procedures for Handling Cargos Held on Account" (Instruction 06/2016). Key amendments include revised definitions: **Cargos Held on Account** refers to temporarily stored cargos in a Free Zone

Warehouse belonging to a supplier, stored without payment of duties or taxes until withdrawal for import into Myanmar or shipment out of Myanmar. **Supplier** means a foreign importer or domestic importer involved in shipping cargoes into Myanmar for temporary storage. **A delivery order** is a document issued by the supplier authorising the release of cargoes held on account to a specified recipient. **The person in charge** is the warehouse operator or designated representative responsible for managing cargoes held on account.

Second Amendment (Instruction No. 02/2017, dated 14 July 2017)

Instruction No. 02/2017 further amends Instruction No. 06/2016, introducing significant procedural changes and restrictions:

- **Prior Management Committee Approval Required:** Warehouse operators must obtain prior approval from the Management Committee before receiving cargoes held on account. Applications must include detailed cargo descriptions, supplier information, intended storage duration, and recipient details.
- **Delivery Order Mandatory:** All withdrawals of cargoes held on account require a Delivery Order signed by the supplier. The Delivery Order must specify cargo details, recipient, and authorised withdrawal quantity.

- **Import Licensing:** If cargoes held on account are to be imported into the Domestic Tariff Area (DTA) and require an import licence from the Ministry of Commerce, such a licence must be obtained before withdrawal for import.
- **Regulated Cargos:** Cargos subject to Myanmar regulatory requirements (food products, pharmaceuticals, chemicals, etc.) must undergo customs examination before storage. Warehouse operators must submit undertakings that packaging, labelling, and product compliance meet Myanmar standards.
- **Prohibition on Used Vehicles:** Used four-wheel and two-wheel vehicles shall not be shipped or stored as cargo held on account in Thilawa SEZ.
- **Ship-Back Procedures:** If cargos held on account fail to meet regulatory requirements or cannot be imported legally, they must be returned ("ship-back") to the supplier at the supplier's or warehouse operator's cost. Ship-back procedures require customs supervision and documentation.
- **Agreements and Responsibilities:** Warehouse operators must enter into agreements with suppliers clearly defining responsibilities for storage costs, insurance, regulatory compliance, and ship-back obligations.
- **Deemed Arrival Date:** The date on the Delivery Order is deemed the arrival date of cargos held on account for customs and storage fee calculation purposes.

Failure to rectify documentation or obtain necessary approvals within prescribed periods may result in seizure, confiscation, or auction of held goods.

9.4 Special Customs Procedures

Urgent Clearance for Small Value Goods

Instruction No. 02/2018 introduces streamlined procedures for the urgent customs clearance of small-value goods (defined as consignments valued at US\$500 or less) imported to support industrial operations. For Free Zones, Instruction No. 03/2018 provides a customs clearance exemption for purchases from the Domestic Tariff Area up to a collective value of US\$1,000. Simplified documentation and expedited processing enable same-day or next-day clearance, reducing delays for critical inputs such as spare parts, samples, or consumables.

Customs Overtime Procedures

Instruction No. 01/2018 provides for customs clearance services outside normal working hours upon payment of overtime fees. Fees are based on container type and service duration, with standard charges ranging from US\$50 to US\$150 per container depending on whether services are required during evenings, weekends, or public holidays. Overtime applications must be submitted at least 24 hours in advance.

Re-exportation of Packaging Materials

Instruction No. 02/2016 governs the re-exportation of packaging materials imported temporarily for use in shipping finished products. Investors importing reusable packaging (pallets, containers, crates) may re-export them duty-free, provided proper documentation is maintained.

Temporary Admission and Deposit Requirements

Instruction No. 07/2016 establishes deposit requirements for the temporary admission of returnable cargoes such as exhibition goods, demonstration equipment, testing instruments, or moulds and dies temporarily imported for specific projects. Deposits equivalent to applicable customs duties are held by Customs as security, refundable upon re-export within the authorised period (typically 6-12 months).



10 GOODS IMPORT AND EXPORT PROCEDURES

10.1 Master List, Material List and Bills of Materials Registration

The Forwarding Goods SOP (Version 3, dated 11 November 2015) establishes comprehensive procedures for the import and export of goods in Thilawa SEZ. All investors must register three critical documents with the Management Committee before importing goods:

Master List (FORM-CT1-1): A comprehensive list of all machinery, equipment, spare parts, and capital goods the Investor intends to import. The Master List covers durable assets with useful life exceeding one year.

Material List (FORM-CT1-2): A detailed inventory of raw materials, components, consumables, and intermediate inputs required for production. The Material List covers items consumed or incorporated into finished products.

Bills of Materials (BOM) (FORM-CT1-3): Detailed breakdowns showing the quantity and type of raw materials and components required to produce each unit of finished product. BOMs support customs verification of input-output ratios and prevent misuse of duty exemptions.

These lists must be submitted and approved by TSMC/OSSC before cargo departure from the exporting country. Lists can be updated and amended as business needs evolve, but all imports must correspond to registered items to qualify for duty exemptions and simplified clearance. Notice No. 02/2020 emphasises that Master Lists and Material Lists should be registered prior to cargo departure to avoid clearance delays.

Imports of used machinery and equipment require a Mechanical Performance Certificate issued by a qualified engineering firm certifying the machinery's operational condition, remaining useful life, and compliance with safety standards; prior approval from TSMC; and registration on the approved Master List with clear identification as "used" equipment.

10.2 Import Procedures by Investor Type

Import from Overseas to Free Zone

Free Zone investors importing goods from overseas submit advance cargo notification to OSSC Customs Section with commercial invoices, packing lists, bills of lading, and import declarations (FORM-CT2). Goods are cleared duty-free and tax-free based on registration in the approved Master List or Material List. Customs conducts documentary verification and occasional physical inspections. Goods are released directly to the Investor's factory or warehouse within the Free Zone. No import licence is required if goods are registered in approved lists.

Import from Overseas to Promotion Zone

Promotion Zone investors importing from overseas follow similar documentary procedures as Free Zone imports but pay applicable customs duties and commercial taxes unless goods qualify for exemptions under investment permits. They may benefit from duty refund mechanisms if imported inputs are incorporated into exported products. Import licences are required for restricted categories.

Import by Free Zone Investors from Promotion Zone or Domestic Tariff Area

When Free Zone investors purchase goods from Promotion Zone businesses or the domestic market, goods are treated as "exports" from the perspective of the Promotion Zone/DTA supplier. The Free Zone purchaser submits purchase documentation and import declaration (FORM-CT2) to OSSC. No duties or taxes are payable by the Free Zone purchaser, but the Promotion Zone supplier may claim export treatment.

Import by Promotion Zone Investors from the Free Zone

Promotion Zone investors purchasing from Free Zone businesses must pay applicable customs duties and commercial taxes. Customs clearance is conducted at OSSC with full documentation. Import licences are required for restricted categories.

10.3 Export Procedures by Zone Classification

Export from Free Zone to Overseas

Free Zone investors exporting products overseas submit export declarations (FORM-CT3) to the OSSC Customs Section with commercial invoices, packing lists, and bills of lading. Customs conducts documentary verification and occasional inspections. Goods are released for export without duties or taxes. Export proceeds must be repatriated and declared to the Central Bank OSSC Office.

Export from Free Zone to Promotion Zone or Domestic Tariff Area

Free Zone businesses selling to Promotion Zone or DTA must treat the transaction as an import into DTA. The purchasing business must pay applicable customs duties and commercial taxes.

Export from Promotion Zone to Overseas

Promotion Zone investors exporting overseas submit export declarations (FORM-CT3) with supporting documentation. They are entitled to commercial tax refunds on exported goods and duty drawbacks on imported inputs incorporated into exports.

Export from Promotion Zone to Free Zone

Promotion Zone businesses selling to Free Zone may treat the transaction as an export, qualifying for commercial tax exemption/refund. The Free Zone purchaser imports goods duty-free and tax-free under Free Zone privileges.

Import licences are not required if goods are registered in approved Master Lists or Material Lists and fall within permitted categories. Import licences are required for goods not registered in approved lists; restricted or regulated goods (pharmaceuticals, food products, chemicals, machinery exceeding specified values, etc.); and goods subject to import quotas or licensing under Ministry of Commerce regulations.

All investors engaged in import or export activities must register as Exporters/Importers with the Ministry of Commerce via OSSC. Application (FORM-CM2-1) requires a company registration certificate, investment permit, tax registration certificate, lease agreement, director/authorised signatory identification documents, and payment of registration fee of MMK 200,000. The Registration Certificate (FORM-CM2-2) is valid for 5 years.

10.4 Authority for Registration of Imported Goods

Notice No. 02/2020 (18 May 2020) establishes designated persons in charge of reviewing, supervising, and approving registrations of imported goods by category. This delegation of authority ensures governance, accountability, and streamlined approvals whilst preventing conflicts of interest.

The notice provides a detailed table assigning responsibilities:

- **Construction Materials:** Reviewer/Approver is Head, Construction Section, OSSC; Supervisor/Advisor is Member, TSMC.
- **Machinery & Equipment:** Reviewer/Approver is Head, Industry Section, OSSC; Supervisor is Head, Construction Section, OSSC.
- **Vehicles (Duty & Tax Exempted):** Reviewer/Approver is Vice Chairman-2, TSMC.
- **Materials List (Raw Materials, Components):** Reviewer/Approver is Head, DICA Section, OSSC; Supervisor/Advisor is Member, TSMC.

This structure ensures that import registrations are reviewed by officials with relevant technical expertise, supervised by senior personnel, and approved at appropriate authority levels.



11 VEHICLE IMPORT REGULATIONS



11.1 Prohibition on Used Vehicle Imports

Notice No. 05/2015 (27 August 2015) establishes initial guidelines for importing vehicles essential for authorised operations in Thilawa SEZ. The notice prohibits importing used four-wheel and two-wheel vehicles free of tax into the SEZ. Developers and investors requiring used vehicles must purchase them from the domestic market within Myanmar, subject to applicable domestic taxes and regulations.

Notice No. 01/2018 (31 August 2018) revises and reinforces the prohibition on used vehicle imports. The revised notice categorically states: "Used four-wheel and two-wheel vehicles shall not be imported free of tax." This prohibition applies to all investors, developers, and sub-developers, with no exceptions granted.

Instruction No. 02/2017 extends this prohibition to cargoes held on account, explicitly barring the shipment or storage of used vehicles as cargoes held on account in Thilawa SEZ warehouses. The prohibition prevents abuse of duty-free import privileges, protects domestic automotive markets, ensures environmental and safety standards, and reduces smuggling risks.



11.2 Standard Vehicle Import Limits

Notice No. 05/2015 establishes that developers, sub-developers, and investors may import up to five commercial vehicles (new only) free of customs duty and commercial tax for use in authorised operations. Commercial vehicles include trucks and vans for transporting materials and products, forklifts and material handling equipment, and passenger vehicles for business use (limited to executive/managerial transport).

Imported vehicles must be registered with OSSC and may not be sold or transferred outside the SEZ without prior Management Committee approval and payment of applicable duties and taxes. Notice No. 01/2018 reaffirms the five-vehicle standard import limit and clarifies that this limit applies per investor per investment project.

11.3 Additional Vehicle Import Conditions

Investors requiring more than five vehicles must apply to the Management Committee with detailed justifications, including the nature of operations requiring additional vehicles; vehicle specifications and intended use; evidence that operational needs cannot be met with five vehicles; and a commitment that vehicles will be used solely for authorised SEZ operations.

Additional vehicles beyond the five-vehicle limit may be approved but are subject to payment of customs duties and commercial taxes at applicable rates. Notice No. 01/2018 adds that approval for additional vehicles beyond five will be granted only in exceptional circumstances where operational necessity is clearly demonstrated.

All imported vehicles must be registered with the Myanmar Road Transport Administration Department via OSSC; display SEZ identification markings; maintain comprehensive insurance coverage; undergo annual inspections for roadworthiness and emissions compliance; and remain within Thilawa SEZ or be used exclusively for SEZ business purposes.

Vehicles imported duty-free may not be sold, transferred, or disposed of without Management Committee approval. If an investor wishes to dispose of a vehicle, an application must be submitted to TSMC with justification. If approval is granted for sale to the domestic market, customs duties and commercial taxes (calculated from the original import value with depreciation adjustments) must be paid before transfer. Re-export of vehicles overseas is permitted duty-free if properly documented.



12

BUILDING CONSTRUCTION AND FIRE SAFETY

12.1 Design Approval Process

The Building Construction and Fire Safety SOP (Version 2, dated December 2017) establishes comprehensive procedures governing design approval, construction permits, inspections, and building completion certification. Before commencing construction, investors must obtain Design Approval from MJTD. The design approval application includes site plan, architectural drawings, structural engineering designs certified by licensed engineers, mechanical, electrical, and plumbing (MEP) designs, fire safety systems design, environmental management plans, and landscape design.

MJTD reviews submissions for compliance with zone internal regulations (setbacks, building height, plot coverage, landscaping percentages), Myanmar building codes and structural standards, aesthetic guidelines and architectural harmony, and environmental and safety requirements. Processing time is up to 30 working days from receipt of a complete application.

12.2 Building Permit and Fire Safety Certificate Requirements

Following MJTD Design Approval, investors apply to OSSC for a Building Permit and Fire Safety Certificate. Building Permit Application (FORM-BC1-1, FORM-BC1-2) requires a covering letter, completed application form, MJTD Design Approval letter, architectural and structural drawings, licensed engineer information (FORM-BC1-3), and contractor registration documents.

Fire Safety Certificate Application (FORM-BC2-1, FORM-BC2-2) requires a covering letter, completed application form, fire safety systems design (fire alarms,



sprinklers, extinguishers, emergency exits, evacuation routes, emergency lighting), and a compliance statement demonstrating adherence to Myanmar Fire Services Department regulations. Processing time for the Building Permit and Fire Safety Certificate is 7-10 working days.

12.3 Construction Stage Procedures

Before construction commences, investors must register their contractors with OSSC (FORM-BC3-1, FORM-BC3-2). Registration requires a contractor company registration certificate, contractor licence, list of key personnel, list of construction materials (FORM-BC3-3), and insurance certificates.

Upon receiving the Building Permit and Fire Safety Certificate, investors submit a Project Information Sheet (FORM-BC4-1, FORM-BC4-2) to OSSC notifying the planned construction start date, estimated construction duration, number of workers, construction methodology and phasing, and safety management plan. MJTD issues Start of Construction Approval within five calendar days.

12.4 Intermediate and Final Inspections

The SOP mandates three intermediate inspections during construction: Foundation Inspection (FORM-BC5-1, FORM-BC5-2) conducted after foundation excavation and before concrete pouring; Framing/Structural Inspection conducted after structural frame erection and before enclosure; and Roofing and MEP Rough-In Inspection conducted after roof installation and rough-in of mechanical, electrical, plumbing systems, before ceiling and wall finishes.

Upon construction completion, investors apply for Final Inspection (FORM-BC6-1, FORM-BC6-2). The final inspection verifies completion of all construction works in accordance with approved designs; installation and operational testing of fire safety systems; MEP systems functionality; compliance with environmental requirements; landscaping completion and external works; and accessibility and safety features. OSSC conducts the final inspection within one working day of the application.

12.5 Building Completion Certification

Upon successful final inspection, OSSC issues a Building Completion Certificate (BCC) within 7 working days. The BCC certifies that construction complies with approved designs and Myanmar building codes; fire safety systems meet regulatory requirements; and the building is safe for occupancy and operational use.

The BCC is a prerequisite for connecting utilities (water, electricity, telecommunications); commencing manufacturing or commercial operations; obtaining occupancy insurance; and final payment release under construction contracts (if applicable).

Investors seeking to modify approved designs or conduct interior renovations after construction must apply for Design/Interior Modification Approval (FORM-BC7-1, FORM-BC7-2). Processing time is 15 working days. Investors may apply for Temporary Use Permits or Partial Use Permits (FORM-BC8-1, FORM-BC8-2) if construction is substantially complete but final finishing works remain. Processing time is 15 working days.



13 VISA, IMMIGRATION AND FOREIGN REGISTRATION

13.1 Business Visa Requirements

The VISA and Immigration SOP (dated 6 December 2017) governs entry, stay, and immigration compliance for foreign investors, directors, managers, technical experts, and employees working in Thilawa SEZ. Foreign nationals intending to work in Thilawa SEZ must obtain a Business Visa prior to entry into Myanmar. Business Visas are issued by Myanmar embassies and consulates abroad or, in limited cases, as Visa on Arrival at designated entry points.

Standard Business Visa has a validity of 3 months from the date of issue, permitted stay of up to 70 days per entry, and single-entry or multiple-entry options available. Application requires a passport (minimum 6 months validity), a completed application form, recent photographs, an invitation letter from the Thilawa SEZ employer, and a visa fee. Upon arrival in Myanmar, Business Visa holders must register with the Immigration Department OSSC Office within 24 hours to obtain a Stay Permit.

13.2 Stay Permit and Re-Entry Visa Procedures

Foreign workers may extend their stay beyond the initial Business Visa period by applying for Stay Permit Extension (FORM-IM1) at OSSC. An extension application requires an employer's recommendation letter, passport and current visa, recent photographs, a completed application form, and payment of the extension fee. Stay Permit Extension Fees (subject



to periodic adjustment) range from US\$50 for the first extension of up to 70 days to US\$50-100 for subsequent extensions, depending on the duration. Processing time is one working day after submission of a complete application and payment.

Foreign workers holding valid Stay Permits who need to travel outside Myanmar and return must obtain a Re-Entry Visa (FORM-IM2) before departure. Single Journey Special Re-Entry Visa permits one exit and one re-entry, is valid for a specified period (typically 1-3 months), and costs US\$40. Multiple Journey Special Re-Entry Visa permits multiple exits and re-entries, is valid for the duration of the Stay Permit or specified period, and costs US\$70-100 depending on the validity period. Processing time is one working day.

Failure to obtain a Re-Entry Visa before departure results in Stay Permit cancellation, requiring full visa re-application upon return. Foreign nationals who overstay their permitted period face fines of US\$3 per day of overstay (subject to maximum penalties), potential detention and deportation for extended overstays, immigration blacklisting preventing future entry, and employer liability and potential sanctions.

13.3 Foreign Registration Certificate (FRC) Requirements

Foreign nationals staying in Myanmar for more than 90 days must obtain a Foreign Registration Certificate (FRC) (FORM-IM3). The FRC is a residency registration

document required for long-term foreign workers and residents. FRC Application Requirements include an employer's recommendation letter, a passport and valid Stay Permit, proof of residence address in Myanmar, recent photographs, a completed application form, and an application fee of US\$36.

FRCs must be renewed annually before 31 December. Renewal fees vary based on timing: Early renewal (1-30 December) costs US\$9; Late renewal (after 31 December) costs US\$18. Failure to renew by 31 December results in higher fees and potential penalties. Processing time for FRC issuance and renewal is 1-2 working days. Foreign workers must carry FRC cards at all times and present them upon request by immigration or police authorities.

13.4 Overstay Penalties and Renewal Deadlines

Critical deadlines and penalties include: Stay Permit Renewals must be renewed before expiry to avoid overstay penalties. Late renewal applications after expiry incur fines plus standard fees. A re-entry visa must be obtained before departure; no retroactive issuance. FRC Renewals require annual renewal before 31 December. Overstay Fines are US\$3 per day of overstay, with maximum penalties and potential deportation for extended violations.

Employers should establish internal tracking systems to monitor visa and permit expiry dates, ensuring timely renewals and compliance.

14 INFRASTRUCTURE, UTILITIES AND LAND USE

14.1 Water Supply Systems and Tariffs

Water supply in Thilawa SEZ is managed by MJTD through a centralised water treatment and distribution system. Connection charges are tiered based on anticipated consumption demand, with rates starting at US\$10,000 for low-demand users and increasing for higher-capacity connections. Monthly usage charges range from US\$0.60 to US\$0.80 per cubic metre, depending on consumption volume, subject to minimum monthly charges of US\$500.

Water quality meets Myanmar national standards and international industrial use requirements. Zone B currently experiences water supply constraints, with daily supply rationed to 6,000 cubic metres pending development of supplementary sources. Investors in Zone B are advised to implement water-saving measures, recycling systems, and contingency plans.

14.2 Electricity Connection and Charges

Electricity supply is provided via MJTD's electrical distribution network, sourced from Myanmar's national grid with backup generation capacity to ensure reliability. Connection charges are based on peak power demand, with tiered rates starting at US\$10,000 for connections up to 200 KVA and increasing progressively to over US\$310,000 for high-demand connections exceeding 2,400 KVA. Monthly consumption charges reflect actual usage, calculated at prevailing national tariff rates plus a small administrative fee (approximately 3.5%) to cover MJTD's distribution and maintenance costs.

Telecommunications infrastructure includes fibre-optic backbone networks that enable high-speed internet, voice, and data services. Connection charges are US\$8,000 per core, with monthly administrative fees of US\$800 per core.

14.3 Wastewater Treatment Requirements

All industrial effluents generated within Thilawa SEZ must be discharged into MJTD's common wastewater collection and treatment system. Investors are required to pre-treat effluents to meet specified quality limits before discharge. Discharge limits are established for pH, biochemical oxygen demand (BOD), chemical oxygen demand (COD), total suspended solids (TSS), oil and grease, heavy metals, and other pollutants. Investors must install on-site pre-treatment facilities as necessary to achieve compliance.

MJTD's centralised wastewater treatment plant processes collected effluents to meet environmental discharge standards before release into receiving waters. Monthly monitoring and reporting by investors ensure ongoing compliance.

14.4 Land Use Restrictions and Setback Requirements

Land use within leased plots is strictly controlled to ensure orderly development, aesthetic consistency, and environmental protection. Setback requirements mandate minimum distances between buildings and plot boundaries, typically ranging from 5 to 15 metres depending on plot size and location. Setback areas must be landscaped with grass, shrubs, and trees, and maintained in good condition. Building height restrictions apply, generally limiting structures to 15-20 metres unless special approval is obtained.

Plot coverage ratios (the percentage of land that may be covered by buildings and impermeable surfaces) are specified in lease agreements, typically ranging from 60% to 80%. Remaining areas must be maintained as landscaped green space, parking, or access roads. Investors are prohibited from using leased land for residential purposes except for the temporary accommodation of essential security or maintenance personnel.

14.5 Maintenance and Administration Fees

MJTD levies monthly maintenance and administration fees to recover costs for managing common facilities, maintaining infrastructure, providing security services, landscaping, waste collection, and administrative support. Fees are charged at US\$0.10 per square metre of leased land area. Additional community relations fees are tiered based on plot size, with larger plots contributing proportionally more to community development initiatives.

Fees are payable monthly in advance. Non-payment for more than 60 consecutive days constitutes a breach of lease agreements, potentially leading to suspension of services, penalties, and termination.





15 ONE-STOP SERVICE CENTRE FEE STRUCTURE

Instruction No. 03/2016 (18 July 2016) amends the One-Stop Service Centre (OSSC) administration fee structure. The amendment changes the currency denomination from US Dollars to Myanmar Kyat (MMK) and specifies fees payable by Developers, Sub-Developers, and Investors.

Amended OSSC Administration Fees (monthly per company):

- Developer: 3,000,000 MMK
- Sub-Developer: 1,500,000 MMK
- Large Investor (plot area > 10 hectares): 750,000 MMK
- Medium Investor (plot area 5-10 hectares): 500,000 MMK
- Small Investor (plot area < 5 hectares): 300,000 MMK

These fees cover OSSC operational costs, including personnel salaries, office expenses, and administrative systems. Fees are payable monthly in advance to TSMCC and are separate from utility charges, maintenance fees, and transaction-specific fees.



16

AGENT COMPANY RESTRICTIONS AND INVESTOR OBLIGATIONS

Notice No. 01/2020 (18 May 2020) clarifies that the Thilawa SEZ Management Committee does not authorise, appoint, or endorse any agent companies or brokers to provide services on behalf of TSMC or OSSC. All government services—including company registration, tax registration, customs clearance, labour registration, visa processing, and permit applications—are provided directly by OSSC personnel to investors.

This policy aims to prevent intermediation that increases costs and delays; reduce corruption opportunities; enhance transparency and direct accountability; and ensure investors receive accurate information directly from authorities.

Whilst TSMC does not authorise agents, investors may appoint personal agents or consultants temporarily for convenience (e.g., document preparation, translation, liaison). However, investors must inform TSMC in writing of any agent appointments, providing agent details; agents having any relationship with TSMC or OSSC personnel (family, business, employment) are strictly prohibited from representing investors; investors remain fully responsible for all submissions, applications, and compliance regardless of agent involvement; and agents may not represent themselves as authorised by TSMC or OSSC.

Investors must immediately report to TSMC any requests for bribes or improper payments by officials or agents; corrupt practices encountered in dealings with contractors, suppliers, or other parties; agent misconduct or misrepresentation; or solicitations for kickbacks or commissions. TSMC investigates all reports and takes appropriate enforcement action, maintaining the confidentiality of whistleblowers to the extent possible.

17 ZONE A AND ZONE B COMPARATIVE ANALYSIS

Thilawa SEZ's Zones A and B are governed by distinct internal regulations issued by MJTD and approved by TSMC. Whilst both zones share common principles and objectives, differences exist in certain operational and infrastructural aspects.

Land Lease Agreements: Both Zone A and Zone B employ similar lease agreements with initial terms of 50 years and 25-year renewal provisions. Lease terms, conditions, and assignment provisions are consistent across both zones, ensuring predictability for investors.

Permitted and Prohibited Activities: Both zones permit manufacturing, industrial processing, assembly, logistics, warehousing, and ancillary commercial activities. Prohibited activities include real estate speculation, junk yards, animal slaughtering facilities, asbestos manufacturing, unregulated quarrying, hazardous waste disposal, and activities deemed harmful to public health, safety, or the environment.

Building and Construction Controls: Both Zone A and Zone B employ identical construction approval procedures, requiring detailed design submissions, compliance with setback and landscaping requirements, and adherence to building codes and safety standards. MJTD retains discretion to reject or require modifications to plans not meeting standards.

Environmental Standards: Both zones apply similar environmental standards, requiring connection to common wastewater infrastructure, pre-treatment of effluents, compliance with discharge limits, prohibition of hazardous dumping, and adherence to air and noise pollution standards.

Utilities: Water connection charges and monthly usage charges are similar across both zones. However, Zone B currently experiences water supply constraints, with daily supply rationed to 6,000 cubic metres. Electricity connection and consumption charges are similar across both zones. Both zones offer identical telecommunications infrastructure with connection charges of US\$8,000 per core.

Fees and Charges: Both Zone A and Zone B apply equivalent monthly maintenance and administration charges of US\$0.10 per square metre, with similar tiered community relations fees.

Dispute Resolution: Both Zone A and Zone B lease agreements incorporate identical arbitration provisions, specifying Singapore International Arbitration Centre (SIAC) arbitration in Singapore with English as the procedural language.

18 RECENT REGULATORY DEVELOPMENTS AND AMENDMENTS

The Thilawa SEZ Management Committee has issued numerous instructions, notices, and procedural amendments since 2015 to refine regulations, address operational challenges, and enhance investor services.

Instruction No. 01/2017 amended earlier SEZ warehouse regulations (Instruction No. 05/2016), updating operational requirements, reporting procedures, and compliance standards for bonded warehouse operators. Amendments included enhanced inventory management protocols, stricter record-keeping requirements, and revised fee structures.

Instructions No. 01/2017 and No. 02/2017 comprehensively amended procedures for handling cargos held on account, introducing mandatory prior Management Committee approval, delivery order requirements, prohibition on used vehicles, and ship-back procedures for non-compliant cargos.

Instruction No. 03/2016 introduced amendments to One-Stop Service Centre fees, adjusting charges for company registration, permit applications, visa processing, and other services to reflect actual administrative costs and ensure sustainability of OSSC operations.

Notice No. 01/2018 revised vehicle import regulations, reinforcing the categorical prohibition on used vehicle imports and clarifying conditions for additional vehicle imports beyond the standard five-vehicle limit.

Notice No. 02/2020 established designated approval authorities for imported goods registration by category, enhancing governance, accountability, and processing efficiency.

Notice No. 01/2020 clarified that TSMC does not authorise agent companies and established strict conditions for investor use of personal agents, reinforcing anti-corruption measures.

These instructions reflect the Management Committee's commitment to responsive regulation, addressing operational challenges, incorporating stakeholder feedback, and continuously improving the regulatory environment.



19 CONCLUSION

Myanmar's Special Economic Zones, particularly Thilawa SEZ, represent a strategic pillar of the country's economic development and investment attraction strategy. The comprehensive legal and regulatory framework established under the Special Economic Zone Law of 2014, supplemented by detailed Rules, Management Committee instructions, notices, and zone-specific internal regulations, provides investors with clarity, predictability, and substantial incentives.

This comprehensive guide incorporates all material amendments, procedural refinements, and governance enhancements issued through 2020, reflecting TSMC's commitment to transparency, efficiency, and investor protection. Key regulatory developments include strengthened anti-corruption measures requiring declarations, prohibiting TSMC-authorised agents, and establishing clear reporting obligations; clarified cargo handling procedures with mandatory approvals, delivery order requirements, and categorical prohibition on used vehicle imports; streamlined import/export procedures with detailed Master List, Material List, and BOM registration requirements, supported by designated approval authorities; comprehensive construction and fire safety protocols ensuring compliance whilst maintaining processing efficiency; enhanced visa and immigration procedures with clear fee structures, renewal deadlines, and overstay penalties; and responsible investment principles aligning zone operations with international human rights and environmental standards.



Thilawa SEZ's success reflects an effective public-private partnership, combining Myanmar's strategic advantages—geographic location, labour force, natural resources—with Japanese expertise in industrial zone development and international best practices in governance and infrastructure provision. The clear delineation between Free Zones and Promotion Zones enables investors to select regulatory regimes aligned with their business models, whilst the One-Stop Service Centre dramatically simplifies administrative processes.

Licensing and permit procedures with defined scrutiny criteria, company registration via the MyCO system, labour regulations prioritising local employment with standardised reporting templates, stringent environmental compliance requirements, generous tax incentives, streamlined customs procedures with detailed import/export protocols, comprehensive building construction and fire safety procedures, modern infrastructure, and robust anti-corruption frameworks collectively create an attractive investment environment.

For investors considering Myanmar, Thilawa SEZ offers a compelling value proposition: world-class infrastructure, transparent governance, competitive costs, access to regional markets through ASEAN integration, and a supportive regulatory framework continuously refined through stakeholder engagement. Ongoing engagement with the Thilawa SEZ Management Committee, MJTD, and professional advisers ensures successful navigation of regulatory requirements and maximisation of available incentives.

As Myanmar continues its economic transformation, Thilawa SEZ is poised to play an increasingly central role in attracting investment, generating employment, fostering technology transfer, and integrating Myanmar into global value chains. The regulatory framework examined in this guide provides the foundation for sustainable, mutually beneficial partnerships between investors and Myanmar.

This guide is for business development purposes and is based on Myanmar's Special Economic Zone Law 2014, Special Economic Zone Rules 2015, Thilawa Zone A and Zone B Internal Regulations, and publicly available information as of the date of writing. Investors should consult current laws, regulations, and official guidance, and seek professional legal, tax, and financial advice before making investment decisions. Regulatory frameworks are subject to change, and this guide should not be relied upon as a substitute for professional advice tailored to specific circumstances.

APPENDIX: KEY FORMS AND TEMPLATES

Cargo and Goods Handling Forms

- FORM-CT1-1: Master List (machinery, equipment, capital goods)
- FORM-CT1-2: Material List (raw materials, components, consumables)
- FORM-CT1-3: Bills of Materials (BOM) (input-output ratios)
- FORM-CT2: Import Declaration
- FORM-CT3: Export Declaration
- FORM-CM1-1: Import Licence Application
- FORM-CM2-1: Exporter/Importer Registration Application
- FORM-CM2-2: Exporter/Importer Registration Certificate

Visa and Immigration Forms

- FORM-IM1: Application for Stay Permit Extension
- FORM-IM2: Application for Re-Entry Visa
- FORM-IM3: Application for Foreign Registration Certificate (FRC)

Reporting Templates

- Reporting Recruitment Status Template (Notice No. 02/2015): Monthly employee reporting (NRC/Passport, position, salary, nationality)
- Reporting Capital Brought-In Template (Notice No. 03/2015): Capital inflow reporting (equity and loans) with bank certificates

Other Key Documents

- Anti-Corruption Declaration (Notice No. 01/2016)
- Mechanical Performance Certificate (for used machinery imports)
- Environmental Conservation and Prevention Plan (ECPP)
- Initial Environmental Examination (IEE)
- Environmental Impact Assessment (EIA)
- Delivery Order (for cargos held on account)

Building Construction and Fire Safety Forms

- FORM-BC1-1: Covering Letter for Building Permit
- FORM-BC1-2: Building Permit Application
- FORM-BC1-3: Licensed Engineers Information
- FORM-BC2-1: Fire Safety Certificate Covering Letter
- FORM-BC2-2: Fire Safety Certificate Application
- FORM-BC3-1: Contractor Registration Covering Letter
- FORM-BC3-2: Contractor Registration Form
- FORM-BC3-3: List of Materials for Construction
- FORM-BC4-1: Submission of Project Information Covering Letter
- FORM-BC4-2: Project Information Sheet
- FORM-BC5-1: Application for Intermediate Inspection
- FORM-BC5-2: Record of Intermediate Inspection
- FORM-BC6-1: Application for Final Inspection
- FORM-BC6-2: Record of Final Inspection
- FORM-BC7-1: Application for Design/Interior Modification
- FORM-BC7-2: Design/Interior Modification Details
- FORM-BC8-1: Application for Temporary Use/Partial Use
- FORM-BC8-2: Temporary Use/Partial Use Details
- FORM-BC8-3: Inspection Record for Temporary/Partial Use
- FORM-BC9: Application for Temporary Commencement of Construction Work

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DFDL Myanmar Limited

DFDL Myanmar Limited provides a full range of legal and tax services to foreign and local investors operating in Myanmar. Our team of more than twenty experienced local lawyers and foreign legal advisers provide efficient, effective, and practical legal services at an international standard, coupled with a high-level personal in-depth knowledge of the local environment.

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AWARDS & RANKINGS

DFDL is honored to have received recent awards from leading industry publications recognizing our achievements, including the following:

2026 Chambers Asia Pacific

Band 1 – Projects & Energy – Bangladesh
Band 1 – General Business Law – Cambodia, Lao PDR, Myanmar
Band 2 – Corporate & Finance – Bangladesh
Band 3 – Projects & Energy, Real Estate, Tax – Thailand
Band 3 – Corporate/MA, Projects, Infrastructure & Energy – Vietnam

2026 The Legal 500 Asia Pacific

Tier 1 – Leading Firm – Cambodia & Lao PDR
Tier 1 – Corporate and M&A/Projects and Energy – Myanmar
Tier 1 – Tax – Vietnam
Tier 2 – Banking and Finance – Bangladesh
Tier 2 – Projects & Energy – Thailand
Tier 2 – Tax – Thailand
Tier 3 – Corporate and M&A – Bangladesh & Vietnam
Tier 3 – Labour and Employment – Indonesia
Tier 3 – Projects & Energy – Vietnam
Tier 3 – Real Estate & Construction – Thailand
Firms to watch – Malaysia

2025-26 World Tax & World Transfer Pricing

Cambodia Tax Firm of the Year 2021/2022

Active – General Corporate Tax – Myanmar
Tier 2 – Transfer Pricing – Cambodia
Tier 2 – General Corporate Tax – Cambodia & Thailand & Vietnam
Tier 2 – Customs – Vietnam
Tier 3 – Transfer Pricing – Thailand & Vietnam

2025-26 IFLR1000

Tier 1 – Financial and Corporate – Cambodia, Lao PDR
Tier 1 – Project Development – Cambodia
Tier 2 – Projects – Thailand, Vietnam
Tier 3 – Banking & Finance – Thailand, Vietnam
Tier 3 – M&A – Thailand, Vietnam

2025-26 Asialaw

Cambodia *Firm of the Year*

Tier 1 – Financial and corporate - in collaboration with IFLR
Industry
Highly Recommended – Banking and financial Services/Industrials and manufacturing/Consumer goods and services

Indonesia

Recommended – Labour and employment
Notable – Banking/M&A/Restructuring and insolvency - in collaboration with IFLR
Recognised – Dispute resolution

Lao PDR

Firm of the Year

Tier 1 – Financial and corporate - in collaboration with IFLR
Industry
Highly Recommended – Banking and financial Services/Infrastructure

Thailand

Highly Recommended – Banking and finance/Construction/Tax/Corporate and M&A
Recommended – Restructuring and insolvency
Industry
Highly recommended – Consumer goods and services/Technology and telecommunications/Banking and financial services/Energy/Infrastructure
Recommended: Aviation and shipping/Industrials and manufacturing/Real estate

Vietnam

Highly Recommended – Banking and finance/Corporate and M&A/Tax
Recommended – Capital markets
Industry
Highly Recommended – Energy
Recommended – Banking and financial services/Real estate

OUR SOLUTIONS

We are constantly adapting in fast-changing environments. As a full-service and fully integrated legal and tax firm, we remain focused on our fundamental mission: to bring you successful solutions and add value to your projects across Southeast and South Asia. We are committed to our clients' success and to providing them with commercially focused legal solutions that help them overcome their business challenges.



Anti-Trust and Competition



Employment



Aviation and Logistics



Energy, Natural Resources, and Infrastructure



Banking and Finance



Investment Funds



Compliance and Investigations



Real Estate and Hospitality



Corporate Advisory



Restructuring



Corporate, Mergers and Acquisitions



Tax and Transfer Pricing



Dispute Resolution



Technology, Media, and Telecommunications

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*DFDL collaborating firms