

# Client Alert

KPMG in Myanmar



## Further updates on Wholesale and Retail in Myanmar

Subsequent to the notifications in May 2018, The Ministry of Commerce and Trade ("MoC") has issued the newsletters 2 and 3 of 2018 that provided the standard operating procedure and the list of prioritised goods allowed to be sold through wholesale and retail companies by foreign companies and companies established as joint ventures ("JV").

The MoC also held a seminar on 30 July 2018 to provide further explanations and clarifications. However, as these were verbal discussions, further examination on the relevant law and notifications would be needed.

### Some key points of updates

The newsletters introduced 4 categories of companies:-

Category	Brief description
<b>A</b>	100% foreign owned and JV companies to be incorporated in Myanmar and wishes to register as a wholesaler or retailer
<b>B</b>	Established foreign or JV companies in Myanmar but that currently do not have the right to wholesale or retail goods and wishes to register as a wholesaler or retailer
<b>C</b>	Established foreign or JV companies currently permitted to do wholesale or retail business
<b>D</b>	Local companies carrying out wholesale and retail business

### Key capital input timing

A common question has been whether investors will need to commit all of the capital at the time the business is established. The newsletters set out the timing for the required capital inputs as summarized in the table below:-

Category	Year 1	Year 2	Year 3	Year 5
<b>A &amp; B</b>	<b>50%</b>	<b>30%</b>	<b>20%</b>	<b>-</b>
<b>C</b>	<b>To be reviewed at year 5 during renewal process in Yr 5</b>			
<b>D</b>	<b>No restrictions</b>			

### Prioritized goods

Below is a list of the categories of goods set out as prioritized goods that will be allowed to be sold via wholesale or retail:-

- 1 Consumer goods
- 2 Foodstuff – certain agricultural products, aquatic and animal products, instant food and certain beverages
- 3 Household goods
- 4 Kitchen appliances
- 5 Pharmaceutical products and medical equipment
- 6 Animal feed and medicine
- 7 Stationery
- 8 Furniture
- 9 Sports equipment
- 10 Telecommunication equipment

### Contact us



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- 11 Electronics
- 12 Construction materials
- 13 Electrical goods
- 14 Industrial chemicals
- 15 Seeds and agricultural equipment
- 16 Farming tools
- 17 Machinery
- 18 Bicycles
- 19 Motorcycles and accessories
- 20 Spare parts for motor vehicles and heavy machinery
- 21 Toys
- 22 Home decorations
- 23 Handicraft
- 24 Artwork, musical instruments and accessories

## Additional considerations

In addition to the above prioritised list of goods, we understand that there may be an additional list of restricted products. We have not seen a draft list of restricted goods and will continue to update our clients if and when this list is released.

## How can KPMG help

KPMG can assist in assessing your investments into Myanmar or reassessing new market opportunities. KPMG is experienced in advising clients looking at investing into Myanmar via acquisition of existing businesses or making greenfield investments into Myanmar.

Our team of dynamic professionals has the necessary experience in dealing with the intricacies of investing into Myanmar and will be able to offer practical advice and solutions. Please reach out to us to discuss and understand the impact to your investment in Myanmar.

## About Client Alerts

KPMG Client Alerts highlight the latest tax and regulatory developments, impending change to law or regulations, current practices and potential problem areas that may impact your company. As certain issues discussed herein are time sensitive, it is advisable to make your plans accordingly.

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