



KPMG Myanmar Tax Alert

KPMG in Myanmar

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Foreign loans into Myanmar

The Central Bank of Myanmar (“CBM”) has just changed the criteria that applicants will need to fulfil before the CBM will approve foreign loans into Myanmar.

The offshore loan criteria published on CBM’s website previously stated that all companies seeking approval for an offshore loan must have at least US\$500,000 in equity and a debt to equity ratio between 3:1 and 4:1.

With the update, companies with a Myanmar Investment Commission (“MIC”) permit would continue to need to have US\$500,000 in equity capital and at least 80% would need to have been remitted to Myanmar before the loan approval. Other companies would only need equity of US\$50,000.

In addition, MIC companies can have a debt to equity ratio of 4:1 but other companies will only be allowed to have a ratio of 3:1.

	Min equity	Max debt to equity ratio
MIC companies	US\$500,000 (80% remitted)	4:1
Other companies	US\$50,000	3:1

How can KPMG help

KPMG can assist in advising on how to plan for funding your investments into Myanmar as well as the regulatory requirements to achieve the plans. KPMG has extensive experience in assisting clients submit applications to the CBM to obtain approvals for such foreign loans.

Please feel free to reach out to our tax professionals to discuss how these changes would impact your businesses.

About Myanmar Tax Alert

KPMG Myanmar Tax Alert highlight the latest tax and regulatory developments, impending changes 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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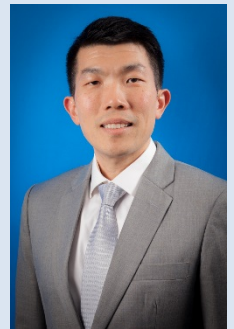
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