



KPMG Myanmar Tax Alert

KPMG in Myanmar

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Update on Financial Services in Myanmar

Insurance update

On 25 January 2021, the Insurance Business Regulatory Board (“IBRB”) invited owned companies to submit expressions of interest to apply for a life or a general insurance business license.

In addition to the local insurance companies, the IBRB also approved five 100% foreign-owned life insurance companies and six foreign-Myanmar life and general insurance joint ventures. There are currently a total of 24 insurance companies operating in Myanmar.

The market will be closely monitoring how many applicants there will be and the number of licences that will be granted in the already crowded market.

Non Bank Financial Institutions (“NBFI”)

On January 26, 2021, the Central Bank of Myanmar (“CBM”) issued the Notification 1/2021 in relation to non-banking financial institutions. The notification will be applicable to NBFIs or companies being established to engage in the following activities:-

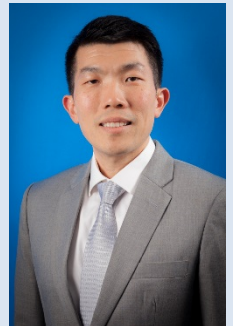
- a) **Finance company business;**
- b) **Leasing business;** or
- c) **Factoring business.**

We highlight below some of the key aspects of the notification:-

- 1 Applicants for the NBFI licence will need to be a company registered in Myanmar
- 2 The key requirements such as the minimum capital required is not mentioned in this notification
- 3 NBFIs will not be allowed to take deposits
- 4 NBFIs may only engage in activities as approved in the registration certificate issued by the CBM
- 5 NBFIs will need prior approval from the CBM on several issues, including (but not limited to) the change of ownership (of more than 10%), transfer of business, changes in ownership structure which will cause the local company to be designated as a foreign company, etc

For more details, we enclose the document in its entirety [here](#) for your reference.

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How can KPMG help

KPMG can assist in advising on how best to apply the above. Reinsurers will also need to take special note of their business opportunities and compliance requirements. Please feel free to reach out to our professionals to discuss how these changes would impact your businesses.

About Myanmar Tax Alerts

KPMG Myanmar Tax Alerts 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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