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## Myanmar Highlights

July 2016

### KBZ Bank announces Southeast Asian expansion plans

Kanbawza Bank Limited (**KBZ**) has announced details of its planned expansion throughout the ASEAN region. KBZ has recently opened its first overseas representative office in Thailand and received a licence to establish a second representative office in Singapore. KBZ intends to become Myanmar's leading commercial bank in the Southeast Asia region. The flow of foreign direct investment from Singapore into Myanmar now exceeds that from China. KBZ's international offices will assist companies with Myanmar market entry strategies which should lead to an increase in capital passing through KBZ branches in Myanmar. (Source: <http://www.irrawaddy.com/business/kbz-to-step-up-asean-presence.html>, 16 June 2016)

### Myanmar Agribusiness Public Corporation to list on the YSX by the end of August 2016

The Myanmar Agribusiness Public Corporation (**MAPCO**) is expected to list on the Yangon Stock Exchange (**YSX**) before the end of August 2016. MAPCO said it hopes to achieve a listing price of K10,000 (approximately US\$8.44) per share. Originally scheduled to list in March 2016, MAPCO has delayed its listing in expectation of foreign companies being permitted to buy shares on the YSX and also to give the company time to increase its capital reserves. MAPCO is Myanmar's largest rice exporter. It was formed in 2012 as a public company partly to encourage public savings and broader investment in agriculture and associated industries in Myanmar. (Source: <http://www.irrawaddy.com/business/myanmar-agribusiness-public-corporation-looks-to-join-ysx-in-august.html>, 9 June 2016)

### AGD Bank enters into partnership arrangement with Thailand's 'TrueMoney'

The Asia Green Development Bank (**AGD**) has entered into a partnership agreement with Thailand's 'TrueMoney' to offer mobile banking services in Myanmar. TrueMoney was founded in 2003 and is owned by Ascend Corporation, a spin-off of True Corporation and a subsidiary of the C.P. Group. TrueMoney is a financial-tech brand, providing e-payment services throughout Southeast Asia. Its platform includes TrueMoney Wallet, WeCard by MasterCard, TrueMoney Cash Card, Kiosk, Express, Payment Gateway and Remittance. TrueMoney's services will be available from 1,000 agents nationwide. TrueMoney users will be able to transfer cash and pay bills via AGD branches. A maximum transaction amount of K1 million is allowed. (Source: <http://www.thuraswiss.com/update/myanmar-news-database>, 30 June 2016)

### Bank for Investment and Development of Vietnam plans to become one of the leading foreign banks in Myanmar

The Bank for Investment and Development of Vietnam (**BIDV**) has announced details of its planned investment in Myanmar. BIDV proposes to open its new Myanmar branch office before the end of July 2016. According to BIDV, bilateral trade between Vietnam and Myanmar grew roughly 25% annually from 2010 to 2015 and was worth approximately US\$435 million in 2015. BIDV has contributed US\$85 million in initial capital in respect of its new Myanmar branch and plans to increase its total investment in the country to US\$300 million within three years and to be among the top five foreign banks operating in Myanmar. BIDV has already entered into partnership

arrangements with the majority of leading banks in Myanmar. (Source: <http://www.mmimes.com/index.php/business/21189-bidv-to-help-boost-vietnamese-investment.html>, 4 July 2016)

## Royal Express to open branches in Thailand, Singapore and Malaysia

Myanmar postal company Royal Express Services Limited (**Royal Express**) has announced plans to open branches in Thailand, Singapore and Malaysia before the end of 2016. Up until deregulation in 2012, the state-owned Myanmar Posts and Telecommunications held a monopoly in Myanmar's postal sector. Royal Express, established in 2002, is now planning to grow its presence abroad, where it will offer logistical and warehousing services to companies exporting goods to Myanmar. Three other Myanmar private companies have obtained licences to operate postal services, namely Speedy Business Services Limited, Magnate Group Logistics Limited and United Courier Services Limited. (Source: <http://www.thuraswiss.com/update/myanmar-news-database>, 30 June 2016)

## International Finance Corporation assisting Myanmar develop new 'leasing law'

The International Finance Corporation (**IFC**) is providing support to the Myanmar Government in respect of the introduction of a new 'leasing law'. Commercial leasing – where firms or individuals rent equipment or vehicles rather than buy them, although common internationally, is rarely practised in Myanmar. A developed leasing industry will give small firms access to capital and finance, and ultimately promote Myanmar's economic development. At present leasing in Myanmar is largely unregulated. According to the IFC, approximately 30% of the equipment used by firms in developed economies is leased. In the agricultural sector the figure can be as high as 70%. The IFC is keen to support the development of a leasing law in Myanmar. A thriving leasing industry comes with several benefits. Rather than having to buy equipment, companies and individuals can reduce expenditure by leasing. A new leasing law will also provide better protections for lessors, while lessees would enjoy smaller down payments and lower collateral requirements. As part of the IFC's wider efforts on secured transactions, the organisation also encourages the development of a collateral registry. (Source: <http://www.mmimes.com/index.php/business/20832-work-on-leasing-law-expected-to-start-this-year.html>, 14 June 2016)

## Burger King opens at new Yangon International Airport Terminal 1

Global fast-food giant *Burger King* has opened its first outlet in Myanmar, at the new Terminal 1 at Yangon International Airport. Thailand-based Minor Food Group (**MFG**) is the franchise operator. MFG's brands include *The Pizza Company* and *Swensen's*, both who have already opened several branches in Myanmar. Since reforms began in Myanmar in 2011, the country has attracted significant interest from international food outlets, who had previously shunned the country. Last year saw the opening of the first *KFC* and *Pizza Hut* branches in Myanmar. The new *Burger King* is located on the 'airside' of Terminal 1 and is only accessible by departing passengers who have passed through immigration and security. (Source: <http://www.thuraswiss.com/update/myanmar-news-database>; 7 July 2016)

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**Hong Kong Office:**

Dominion Centre  
12th Floor  
43-59 Queen's Road East  
Hong Kong  
**Tel:** + (852) 2905 7888  
**Fax:** + (852) 2854 9596

**Myanmar Office:**

Charltons Legal Consulting Ltd  
161, 50th Street  
Yangon, Myanmar  
**email:** [myanmar@charltonslaw.com](mailto:myanmar@charltonslaw.com)

[www.charltonslaw.com](http://www.charltonslaw.com)