

# CHARLTONS

SOLICITORS



## Myanmar Highlights

2 October 2013

• Prediction for 2,000,000 tourists in Myanmar in 2013; an increase from 1,200,000 in 2012. As the monsoon season draws to a close, tourism officials and vendors are gearing up for another banner year as international arrivals trend upwards. There are now direct flights into Mandalay, NayPyiTaw, Mawlamyine and Yangon, as well as 5 cross-border points linking Thailand and Myanmar, India and Myanmar, and soon a border point between Muse and Ruili in Yunnan. While increased economic opportunity is welcome, the challenges to service these visitors has grown exponentially, and new back-of-the-house skills, equipment and training becoming more important. Although not officially confirmed, there has been some drop in hotel rates which surged in 2012, often against industry recommendations. Four or five new hotel facilities will come online within the year, and dozens of entrepreneurial guest houses, restaurants, food centers, souvenirs, online ticket web-sites and other travel related services are bustling. These and other regional cross-border initiatives were discussed at a recent Greater Mekong Subdivision meeting in NayPyiTaw (New Light of Myanmar) attended by Cambodia, China, Laos, Myanmar, Thailand and Vietnam as well as ADB officials.

• An international level 5 star hotel of 154 suites will be established in the colonial-era Myanmar Railways Head Office on Merchant Street employing 450 staff; another deluxe hotel is underway in the former MOFA building on Pyay Road. According to tourism officials, there are approximately 859 hotels in the country ( of which 217 are located in Yangon) with a total of 9,451 guest rooms.

• Tourism services continue to dominate Myanmar's economic development news, as Myanmar Business Today reports a significant increase in airlift capacity for existing and new services. Bangkok Air appears to have won the race

for first international service into Naypyitaw commencing at the end of September, while Thai Air Asia will commence in October as part of the SEA-Games build up. In related news, cargo airlift is destined for an increase in services and destinations as airlines rush to acquire "combi" or straight cargo configurations for outbound mineral fuels and distilled products, manufactured goods, fresh produce, value-added export products and jewelry. The import market has risen more than 25% for industrial equipment, electronics, vehicles and heavy manufactured goods of iron or steel. At last count, a total of 18 international carriers, 9 Myanmar carriers and 4 newly approved operations offer air services with service frequencies increasing constantly.



• 30 March - 10 April 2014 – Myanmar's first census in 3 decades will provide updated statistical data for a range of socio-economic purposes, reports the Ministry of Immigration and Population. 120,000 primary school teachers will be paid K3000 a day to collect data from heads of households throughout the country for compilation. Questions (41 in total) will include the number of family members, their ages, sexes,

education, occupation, religion, ethnicity, disabilities, recent births or deaths, housing, electricity and water sourcing. Minister Khin Yee notes that the first census was conducted by the British in 1891, and described some of the discrepancies using aged data – the population estimate in 1983 (the last census) was 35 million; current estimates vary greatly – anywhere from a statistical reproduction-based figure of 60.98 million to 70 million or higher. The census will face some challenges especially in remote areas, but officials are working with parliamentary, religious and community leaders to dispel concerns and inspire a level of trust in the process, which will eventually result in a National Development Plan. Such planning is essential for many levels of government services, as well as to provide authoritative benchmarks for area investment from the private sector. The seven states and seven regions of Myanmar cover 70 districts, 330 townships, 3,051 wards, 64,346 villages and 13,620 village tracts inhabited by 135 nationalities in 8 ethnic groups (Kachin, Shan, Kayah, Kayin, Mon, Bamar, Rakhine, Chin) with 5 major religions.

- On 1 and 2 October 2013, Sitagu International Buddhist Academy and the Institute for Global Engagement convened an international conference on Myanmar's security, peace and co-existence. Attended by diplomats, businesses, academics, news editors, government and inter-faith religious leaders, as well as the Myanmar Peace Center, the program included discussion of economic prosperity as one of the most important factors in alleviating conflict. Ashin Nyanisara, Sitagu Sayadaw, spoke of the necessity of achieving common ground for all stakeholders.

- In an initiative coordinated by Charltons in Hong Kong, investment banks acting as sponsors to stock market equity listings in Hong Kong have collaborated with other market professionals in Hong Kong to publish a globally-unique set of Due Diligence Guidelines on how to meet standards being set under new Hong Kong legal and regulatory requirements impacting the standard of due diligence expected to be carried out by investment banks sponsoring companies to list on the Hong Kong Stock Exchange. The 762-page document, free to download at [www.duediligenceguidelines.com](http://www.duediligenceguidelines.com), was completed after more than a year of extensive consultation involving leading Hong Kong law firms, two of the Big Four accounting firms and more than 40 banks and financial advisory businesses. They include most of the city's international and mainland Chinese investment banks and over a dozen smaller local institutions. The decision to draft the Guidelines followed a move last year by the Hong Kong Securities and Futures Commission (SFC) to introduce the most sweeping changes in sponsor regulation in Hong Kong in a generation. The changes

include criminal liability for IPO sponsors under proposed amendments to section 40A of the Hong Kong Companies Ordinance. In addition, tighter regulatory standards of IPO due diligence under a revised Hong Kong Code of Conduct for Persons Licensed by or Registered with the SFC took effect on 1 October 2013. The revision to the Hong Kong SFC's Code of Conduct introduced a new Paragraph 17 with the objective of promoting standards of due diligence for Hong Kong equity listing for issuers from all jurisdictions seeking listing on the Hong Kong Stock Exchange. It aims to maintain the integrity of the Hong Kong market by assuring the quality of information disclosed in listing documents, and includes a requirement to publish initial application drafts of IPO prospectuses. The impact in Myanmar, where Charltons opened an office last year, will be important from the standpoint of establishing due diligence standards for Myanmar businesses seeking listing on the Hong Kong Stock Exchange going forward. Hong Kong (USD2381.9bn) is currently the sixth largest stock market in the world and the second largest in Asia (after Tokyo (USD3,478.3bn)), with Singapore ranking 21st (USD765.1bn) (Source: World Federation of Exchanges as at year end 2012: [www.world-exchanges.org](http://www.world-exchanges.org)).



# CHARLTONS

## **Best Boutique Firm 2013**

Asian Legal Business Awards

---

### **This newsletter is for information purposes only.**

Its contents do not constitute legal advice and it should not be regarded as a substitute for detailed advice in individual cases.

Transmission of this information is not intended to create and receipt does not constitute a lawyer-client relationship between Charltons and the user or browser.

Charltons is not responsible for any third party content which can be accessed through the website.

If you do not wish to receive this newsletter please let us know by emailing us at [unsubscribe@charltonslaw.com](mailto:unsubscribe@charltonslaw.com)

#### **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,  
116A Inya Road,  
Yangon, Myanmar  
**email:** [myanmar@charltonslaw.com](mailto:myanmar@charltonslaw.com)

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