



Introduction to Gold Certificate Investment in Myanmar

Yangon Gold Entrepreneurs Association (YGEA) is working on commencing an investment scheme on paper gold. This would allow investors to trade gold using the gold certificate issued by the banks. Under the paper gold scheme, paper gold is defined as assets when depositing at the banks. The banks will issue gold certificates to the investors so that they can invest in gold, using paper instead of physical gold, in international trading.

In this scheme, the banks will guarantee the quality and value of assets to traders, so paper gold trade will be a safe investment for those who are interested in such a trade. At present, the YGEA has submitted a report to the Central Bank of Myanmar in order to implement this scheme. Also, the relevant draft laws and rules are necessary to fulfil the requirements of paper gold trade and to protect the rights of investors.

<https://www.gnlm.com.mm/ygea-discusses-paper-gold-investment/>

19 Oct 2021

Significant Drop of US\$975M in Mineral Exports in last Financial Year

Despite a remarkable increase of US\$405.48 million in mineral exportation compared to last year, there was a significant drop of US\$975 million in the last financial year (2020-2021) due to the COVID-19 outbreak and closure of the gem emporium and expo.

As well as that, the gem and mining areas such as Lonekhin, Phakant, Mawlu and Mawhan will be temporarily suspended from 1 October 2021 to the end of March 2022 so that resource extraction can be sustained and jade and gems mining operations can be safe and efficient, according to Myanmar Gems Enterprises.

The limited extraction of natural resources led to a significant drop of mineral exports in previous years. Permits of mining blocks were suspended in 2016, but has since been opened back up to allow local and foreign investors to carry out mineral operations in Myanmar.

<https://www.gnlm.com.mm/myanmar-mineral-exports-down-by-975-mIn-in-2020-2021fy/>

18 Oct 2021

Kempinski Hotel group's decision to cease operations in Myanmar

In addition to the COVID-19 pandemic restrictions, the civil unrest in Myanmar caused a drop in international investors and business people. The Myanmar hotel and tourism sector suffered losses owing to the closure of border and travel restrictions during the COVID-19 pandemic.

As a result, the Kempinski Hotel in Nay Pyi Taw, issued an announcement to cease its operations as there are some difficulties in the current operating environment to continue their business operations and to maintain the high quality of the services.

The hotel ceased taking bookings and has stopped entertainment or other hotel services since 13 October 2021.

<https://mizzima.com/article/kempinski-hotel-nay-pyi-taw-ceases-operations>

17 Oct 2021

Discussion between Myanmar and China officials through online meeting to re-open border trade gates

Due to COVID-19 restrictions, all border trade zones with China have been closed, except for Pangsaing from the Wa Region in which only COVID-19 prevention materials are permitted to be traded. Accordingly, Myanmar traders feel anxious about the shortage of Chinese commodities in the local market.

On 14 October 2021, Myanmar and China officials discussed online about the re-opening of the border trade gates on the Myanmar-China border. In the meeting, China said that they will allow trucks carrying loads to pass from China to Myanmar whereas trucks will not be allowed from Myanmar to China. In order to have a trade balance, Myanmar did not accept China's proposal and replied that they will have to accept the same number of trucks from Myanmar as trucks entering China. Chinese officials will submit this discussion to their superiors to meet Myanmar's request.

<https://elevenmyanmar.com/news/myanmar-and-china-officials-hold-online-meeting-to-discuss-re-opening-of-border-trade-gates>

16 Oct 2021

Endorsements of YRIC for one foreign enterprise and two domestic businesses

In order to ensure a healthy foreign capital inflow, the members of the Yangon Region Investment Committee (YRIC) and other investors joined a video conference on 12 October 2021. In the video conference, the YRIC endorsed one foreign enterprise and two domestic projects in the manufacturing sector, with an estimated capital of US\$1.5 million and K5.42 billion respectively.

These endorsed enterprises are expected to create 372 job opportunities for local residents. The manufacturing of footwear on a Cutting-Making and Packaging (CMP) basis, production of value-added rice, selling of rice and broken rice, and production of various pulses on a CMP basis will be performed by those enterprises. In addition, the committee members discussed with 14 companies for general matters relating to the manufacturing of decorations, packing and gift wrapping, pet accessories, footwear, bags, parcel box and paper, purified water, clothes, and dried beef.

<https://www.gnlm.com.mm/yric-endorses-over-1-5-mln-worth-of-one-foreign-project-two-domestic-projects/>

14 Oct 2021

Myanmar Highlights

Exchange of Yuan and Yen permitted by the Central Bank

After permitting the US dollar, Euro, Singapore Dollar, Baht, and Ringgit to be traded in the local exchange market, the Central Bank of Myanmar (CBM) issued a directive that permits authorised dealer license holding banks and non-bank financial institutions to trade Chinese Yuan and Japanese Yen on 12 October 2021.

The Yuan and Yen were listed by the CBM as official settlement currencies for banks in international payments and transfers in 2019 to promote international payment and settlement. Allowing the Yuan and Yen to be traded is a good thing but may not result in a significant impact in the market as there are no foreign visitors at the moment according to the owner of the Wakeman Money Exchange.

<https://mmbiztoday.com/central-bank-allows-yuan-and-yen-for-exchange/>

13 Oct 2021

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 enquiries.myanmar@charltonslaw.com

CHARLTONS 易周律师行

Hong Kong Office

Dominion Centre
12th Floor
43-59 Queen's Road East
Hong Kong

+ (852) 2905 7888
enquiries@charltonslaw.com
www.charltonslaw.com

Myanmar Office

161, 50th Street
Yangon, Myanmar

+ (95) 1 8203898
enquiries.myanmar@charltonslaw.com
www.charltonsmyanmar.com