



The Government of the Republic of the Union of Myanmar
Ministry of Planning and Finance
Directorate of Investment and Company Administration
No.1, Thitsar Road, Yankin Township, Yangon.

Letter No: DICA-10 / 1 / 2018 (08387)

Dated 18th June, 2018.

Ms.Vicky Bowman
Director
Myanmar Centre for Responsible Business

By email: vicky.bowman@myanmar-responsiblebusiness.org

Dear Vicky,

**Re: Response to submissions on the draft Myanmar Companies Regulations 2018
(Draft Regulations)**

Thank you very much for your submission on the draft Companies Regulations that my agency, Directorate of Investment and Company Administration (**DICA**), released for public consultation.

We value your feedback and your suggestions on the Draft Regulations regarding the disclosure of beneficial ownership (**BO**) and politically exposed persons (**PEP**). We have also received identical submissions from Global Witness and Myanmar Alliance for Transparency and Accountability.

We recognise that transparency in the extractives sector is an important issue in Myanmar. The requirements for BO and PEP under the Extractive Industries Transparency Initiative (**EITI**) and the Anti-Money Laundering Law are also important issue that the Myanmar Government is working to improve.

My agency DICA, which regulates companies and company registration, is part of the Government's efforts to improve transparency and accountability for companies in Myanmar. We are currently working very hard to implement the new Myanmar Companies Law 2017 (**Companies Law**) and the electronic companies registry which will form a publicly accessible database of all companies in Myanmar, including share ownership information which has not previously been available.

DICA's key responsibility and priority is to ensure that the Companies Law and electronic registry, Myanmar Companies Online (**MyCO**), are properly implemented. The Companies Law contains many detailed disclosure and reporting requirements for companies and MyCO is being built to accommodate and track all of the information electronically. MyCO will bring an unprecedented level of transparency to the corporate sector, in line with many international jurisdictions.

The Draft Regulations supplement parts of the Companies Law which are within the Registrar's powers, particularly for the electronic registry and re-registration. BO and PEP are very important concepts and there needs to be a clear legal mandate to impose them. However, these requirements are not included in the Companies Law and were not raised in public and parliamentary consultations. According to our experience, the Union Attorney General's Office, which vets rules and regulations, does not allow new concepts which are not included in the law to be included in regulations.

Given that BO and PEP are very important requirements and may potentially affect all companies in Myanmar, they should be properly consulted and discussed widely with the private sector. At the moment, the private sector does not have much awareness of these concepts, apart from companies in the oil and gas and mining sectors. There needs to be a public awareness campaign and consultations for a better understanding of BO and PEP requirements, and also to ensure compliance. Myanmar can follow the example of other countries which are conducting extensive consultations and discussions to raise awareness. These can be done in the coming months and in time for the EITI requirements in 2020.

The important task for DICA is to ensure that the new Companies Law and electronic registry is launched and the re-registration process is successful. It is very critical for the government to have an up-to-date, accurate and comprehensive database of companies in the country to support many of the private sector reforms. We have developed a re-registration process which is simple, streamlined and efficient for companies. Once the registry is properly established and we have a comprehensive database of companies in Myanmar, my agency can work closely with other agencies on reporting requirements for BO and PEP, including requesting information from targeted companies through the annual return process.

Given the significant changes to be introduced by the new Companies Law and registry, we look forward to working with all interested stakeholders on these issues and warmly welcome your ongoing input and feedback.

Yours sincerely,



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Director-General
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