Doing Business in Myanmar

PKF

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Foreword

This ‘Doing Business in Myanmar’ guide provides a concise yet informative overview of the key considerations for conducting business in the country. It covers major areas including Myanmar’s demographic and environmental profile, the domestic business environment, taxation, accounting and legal regulations, offering a general understanding of the business landscape. While comprehensive in scope, this guide is not intended to serve as an exhaustive resource for all legal or regulatory matters. Accordingly, it should not be relied upon as the sole basis for making business or legal decisions in Myanmar.

Laws and regulations in Myanmar are subject to frequent updates. We strongly encourage readers to seek professional advice from relevant authorities or qualified experts before engaging in any investment or business activities.

Despite a challenging investment climate, Myanmar remains a resource-rich nation with a strategic location and untapped opportunities in several vital sectors. With a careful, informed and socially aware approach, investors can still build resilient and impactful ventures in the country.

We hope this publication serves as a useful starting point in your exploration of Myanmar’s business environment. Should you require further guidance or specialised support, PKF Myanmar is here to assist you at every stage of your journey.

Demographic and Environmental Overview

Geographic Location

Myanmar, also known as Burma, is a Southeast Asian country strategically located between some of the region's major economies. It shares borders with China to the north and north-east, India to the north-west, Bangladesh to the west, and Thailand and Laos to the east. This location provides Myanmar with significant geopolitical and economic potential as a regional trade hub.

Population and Social Factors

The country's population is estimated at around 54.7 million (January 2025). Approximately 32.7% of Myanmar residents live in urban centres, whereas 67.3% live in rural areas. In terms of gender, 50.2% of the population is female and 49.8% is male.

The official language is Myanmar (Burmese), although English is used in certain business contexts. Various ethnic languages are spoken throughout the country due to its diverse population.

Urban areas, particularly Yangon and Mandalay, are seeing growth in consumer awareness, digital connectivity and interest in international brands. Young people in Myanmar are increasingly digitally savvy, presenting opportunities for e-commerce, education technology and entertainment sectors.

Economic Features

Yangon is the largest city and the commercial and financial centre of the country.

Myanmar is strategically located between major Asian markets and holds significant natural resources, including gas, minerals and fertile land. The economy is traditionally driven by agriculture, energy exports and light manufacturing, with growing potential in logistics and digital services. Since the 2021 political transition, economic activity has slowed due to currency instability, inflation and weakened investor confidence. Despite these challenges, sectors such as agribusiness, infrastructure and mobile finance still offer long-term opportunities for well-positioned investors familiar with the local environment.

Logistics and Transportation

Myanmar's logistics network is undergoing a gradual transformation, offering long-term potential despite current limitations. Positioned between India, China and Southeast Asia, the country serves as a key transit route in the region. Logistics operations can be evaluated across the following main modes:

1. **Road Transport**
   Road transport remains the dominant mode for domestic freight. While key national highways link major cities and border trade zones (e.g. Yangon–Mandalay, Yangon–Myawaddy), many secondary roads are undeveloped or affected by seasonal damage. The government, with support from development partners, is investing in road upgrades, but congestion and inconsistent quality remain challenges, particularly for time-sensitive cargo.

2. **Rail Transport**
   Myanmar's railway network spans over 6,000km but is mostly outdated and slow. Efforts to modernise rail freight services – especially along the Yangon–Mandalay line – are underway, but rail is currently used more for bulk goods than for efficient cargo movement. Cross-border rail integration with China under the China–Myanmar Economic Corridor (CMEC) presents future potential.

3. **Air Transport**
   Air cargo services are limited but essential for high-value or urgent shipments. Yangon International Airport is the main hub, with growing international links and a designated cargo terminal. Other airports like Mandalay and Nay Pyi Taw also offer limited freight capacity. Air logistics are constrained by handling infrastructure and costs but are expected to improve as trade and e-commerce grow.

4. **Maritime Transport**
   Maritime trade plays a critical role, particularly through Yangon Port, which handles the vast majority of Myanmar's containerised cargo. The nearby Thilawa Port and Special Economic Zone (SEZ) offer more modern infrastructure, with container terminals, customs clearance zones and warehousing. Beyond Yangon, strategic port projects are underway in Sittwe (India-backed Kaladan Corridor), Dawei (Thai-backed SEZ) and Kyaukphyu (China-backed deep-sea port). These locations are designed to boost regional connectivity and reduce reliance on traditional maritime choke points. However, progress in these areas has been affected by security concerns, land acquisition issues and ongoing conflict in surrounding regions. Investors should conduct thorough risk assessments and closely monitor developments when considering logistics infrastructure or trade routes linked to these ports.

5. **Inland Waterways**
   Myanmar has an extensive river system – especially the Ayeyarwady River – which is used for low-cost transport of agricultural and bulk goods. However, inland water transport is underutilised due to shallow draughts during the dry season, poor maintenance and limited modernisation.

Internet Access and Digitalisation

Myanmar's digital ecosystem continues to evolve, with mobile internet serving as the dominant form of connectivity for much of the population. As of 2025, approximately 61% of the population has internet access, driven by the widespread use of smartphones and mobile networks. The government's recent introduction of a unified QR-payment system (MyanmarPay) and the expansion of mobile wallet usage reflect an encouraging shift towards digital finance and e-commerce. While fixed broadband remains underdeveloped and infrastructure challenges persist – particularly in rural regions – urban centres are seeing growing adoption of fibre networks and online platforms. Investors should also be aware of the broader regulatory environment, including new cybersecurity legislation, which underscores the importance of compliance and local partnerships when operating digital services in the country.

Environment

Myanmar is home to rich biodiversity and extensive natural resources, including vast forests, waterways and mineral reserves. However, rapid economic development, deforestation, mining activities and infrastructure expansion have led to growing environmental concerns such as habitat loss, soil erosion and water pollution. Climate change impacts – like increased flooding and unpredictable rainfall – pose additional risks to agriculture and infrastructure. Efforts towards sustainable development are reflected in policies and initiatives focusing on forest conservation, renewable energy and environmental impact assessments, although enforcement and capacity to implement these measures vary across regions. Investors should consider environmental regulations and sustainability best practices as integral to long-term project viability and a social licence to operate within Myanmar.

Business Sectors with Growth Potential

Despite the considerable challenges, business opportunities for foreign investors do still exist in Myanmar. Investors who adopt a cautious yet committed approach, balancing commercial objectives with social and political understanding, can still build sustainable ventures in the country.

Here is an overview of sectors that demonstrate potential for future growth and potential entry points.

Agriculture and Agro-Processing

Agriculture remains the backbone of Myanmar's economy, employing a majority of the population and contributing significantly to exports. There is substantial potential for modernisation through investment in mechanisation, irrigation systems, sustainable practices and agro-processing facilities. Myanmar's fertile land and diverse climate support a wide range of crops, including rice, pulses, oilseeds, fruits and vegetables. However, supply chains and production are often disrupted by infrastructure gaps and regional instability. Investors with a long-term perspective and strong local engagement can contribute to food security, the creation of value-added products and rural development while accessing a high-demand market.

Renewable Energy and Infrastructure

Myanmar holds strong potential in renewable energy, particularly in hydropower, solar and biomass. While hydropower remains the dominant source of electricity, solar energy is increasingly being adopted through mini-grids and off-grid solutions in rural areas. Infrastructure in Myanmar is under development, with investments targeting roads, ports, electricity transmission and telecommunications. However, project execution may face challenges related to regulatory complexity, land acquisition and regional instability. Despite these risks, infrastructure and renewable energy remain key sectors for long-term investment, supported by the country's energy needs and regional connectivity goals.

Light Manufacturing and Industrial Zones

Light manufacturing is a growing sector in Myanmar, with key activities including garment production, food processing and consumer goods assembly. Industrial zones – such as Thilawa SEZ near Yangon – offer improved infrastructure, tax incentives and proximity to ports, making them attractive for foreign investors. The availability of a young labour force and Myanmar's strategic location enhance competitiveness in export-oriented manufacturing. Nevertheless, challenges persist, including inconsistent power supply, logistical delays and evolving labour regulations. Investors who establish operations within organised industrial zones often benefit from better infrastructure and streamlined procedures. Infrastructure gaps and regional unrest can disrupt logistics operations, particularly in border areas or conflict-prone zones. While Myanmar offers competitive labour costs and strategic location advantages, operations may be affected by fluctuating regulatory conditions and domestic instability.

ICT, Fintech and E-Commerce

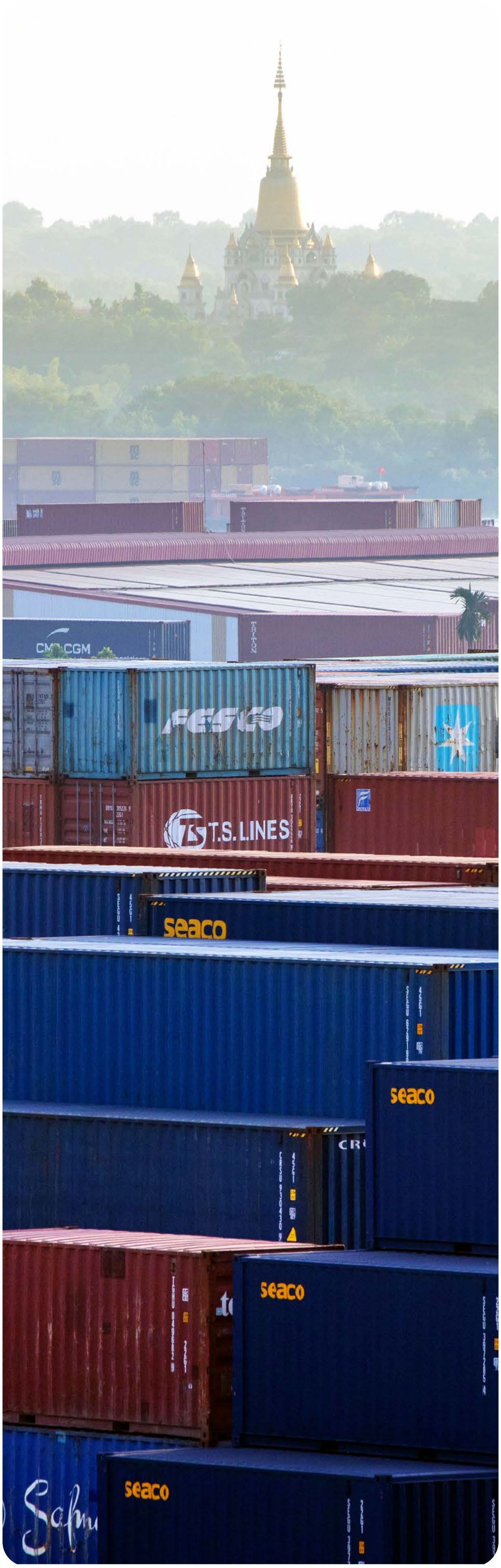
Myanmar's digital ecosystem has seen rapid growth, especially in mobile connectivity and smartphone use. Digital financial services – led by platforms like Wave Money and KBZPay – have improved access to basic financial services, particularly in underserved areas. The launch of MyanmarPay (MMQR) and increased e-commerce activity signal strong market potential. However, political instability, shifting regulations, internet shutdowns and cybersecurity laws may impact service continuity and data management. Digital-sector investors should prepare for a dynamic regulatory landscape while leveraging the strong demand for modern financial and online services.

Healthcare and Pharmaceuticals

Myanmar's healthcare sector remains undeveloped, with limited access to quality medical care, especially in rural and underserved areas. This gap presents significant opportunities for investment in medical infrastructure, healthcare products and services. Foreign investors can play a crucial role in establishing modern clinics, diagnostic laboratories and pharmaceutical manufacturing or distribution operations. Additionally, there is growing demand for telemedicine services, digital health platforms and affordable imported pharmaceuticals. International partners are well positioned to introduce trusted healthcare standards, advanced technologies and robust supply chains, thereby addressing pressing public health challenges while unlocking long-term growth potential in Myanmar's healthcare market.

Logistics and Supply Chains

Logistics is a critical enabler of trade and domestic distribution in Myanmar. Major ports such as Yangon and Thilawa handle most maritime freight, while road transport dominates internal movement. Increasing trade and e-commerce activity are driving demand for modern logistics infrastructure, such as cold chain, warehousing and digital freight management. Yet, regional conflict, customs delays and regulatory unpredictability pose risks to continuity, especially in remote areas. Foreign investors with experience in navigating frontier markets are well placed to support the modernisation of Myanmar's supply chain systems.



Entry Requirements

Entering Myanmar's business landscape requires careful navigation of regulatory, legal and procedural frameworks. Foreign investors need to follow a series of steps and comply with specific laws to ensure lawful and effective market entry.

Legal Structure and Company Registration

A company or entity can be registered on Myanmar Companies Online (MyCO) in accordance with the Myanmar Companies Law (2017) and the Special Company Act (1950). The types of companies and entities available to be registered in Myanmar are as follows:

- private company limited by shares;
- public company limited by shares;
- company limited by guarantee;
- limited liability company (LLC);
- unlimited company;
- business association;
- public company limited by shares under the Special Company Act (1950);
- private company limited by shares under the Special Company Act (1950); and
- overseas corporation.

The most common way of organising a business structure for foreign investors is an LLC.

In order to incorporate a business entity in Myanmar, it is necessary to:

- choose an official name for registration;
- establish a registered office address in Myanmar;
- prepare the company constitution;
- have a minimum of one director and/or one shareholder (ordinarily resident in Myanmar) for a private company; and
- have a minimum of three directors (at least one of the directors must be a Myanmar citizen who is ordinarily resident in Myanmar) for a public company.

There is no minimum capital requirement.

Foreign investors can own up to 35% of the equity in Myanmar companies without changing the company's status to a foreign company.

Investment Approval

While general business activities can commence following company registration alone, certain projects require approval from the Myanmar Investment Commission (MIC) under the Myanmar Investment Law (2016).

MIC approval may grant benefits such as tax holidays, customs duty exemptions and land use rights.

Investors can also operate within special economic zones (SEZs), governed by the SEZ Law (2014), offering additional incentives.

Licensing and Permits

Certain sectoral ministries issue guidelines to regulate and oversee specific industries. These guidelines, often in the form of notifications or laws, provide a framework for investment, business operations and other activities within their respective sectors. Depending on the nature of the business, further sectoral licences may be needed from relevant ministries.

The investment activities in such sectors have to be carried out with the approval of the relevant ministries and enjoy the incentives and protections prescribed in the Myanmar Investment Law and the Myanmar Special Economic Zone Law.

Furthermore, environmental compliance, including an environmental impact assessment (EIA) or initial environmental examination (IEE), may be required for certain projects.

Banking and Foreign Exchange

Businesses need to open a bank account in Myanmar kyat (K, MMK) and often a foreign currency account with a licensed bank. Any foreign currency remittance or repatriation must comply with the Foreign Exchange Management Law (2012) and be approved by the Central Bank of Myanmar (CBM).

Tax Compliance

Newly registered entities must obtain a taxpayer identification number (TIN) from the Internal Revenue Department (IRD) and register for applicable taxes, comprising corporate income tax and commercial tax.

Companies must comply with the Tax Administration Law (2019) and the annually enacted Union Tax Law, maintain proper accounting records and file tax returns in accordance with prescribed deadlines and formats.

Labour and Employment

Employers must adhere to labour laws with regards to working hours, leave, minimum wages and other relevant areas. Signed and registered labour contracts are required between the employer and individual employees. Social security contributions and personal income tax, where applicable, need to be deducted and paid. For foreign employees, proper work permits and valid visas are mandatory.

Relevant Regulatory Framework

While reforms have been implemented in key areas such as investment law, company registration and taxation, enforcement and administrative procedures can vary over time. As a result, regulatory processes may be inconsistent, and businesses should be prepared for delays or procedural changes. Engaging local legal counsel and regulatory advisors is strongly recommended to navigate evolving requirements.

Key institutions involved in foreign investment oversight include the **Directorate of Investment and Company Administration (DICA),** the **Myanmar Investment Commission (MIC)** and the **Internal Revenue Department (IRD)**. Licensing processes, sector-specific restrictions and tax obligations should be carefully reviewed as part of due diligence.

The **Central Bank of Myanmar (CBM)** plays a critical role in setting policies on foreign exchange, banking regulations and payment systems. Its decisions directly affect capital movement, repatriation of profits and day-to-day financial operations. In particular, businesses engaged in cross-border transactions should stay informed about changes in currency controls and banking procedures.

Directorate of Investment and Company Administration

For businesses entering Myanmar, DICA is often the first point of contact and a critical partner in navigating the formalities of setting up and maintaining a compliant operation. It operates under the Ministry of Investment and Foreign Economic Relations and serves as the primary interface for businesses and the key regulatory body responsible for company registration and investment administration in Myanmar.

DICA's main roles include handling the incorporation of all local and foreign companies through the Myanmar Companies Online (MyCO) system, providing guidance on legal procedures, investment structures and regulatory requirements and ensuring companies' compliance with the Myanmar Companies Law and other relevant regulations. DICA also plays an essential role in coordinating with the MIC for particular projects requiring MIC approval.

Myanmar Investment Commission

The MIC plays a central role in facilitating and regulating investment in the country. It is a government-appointed body responsible for assessing and approving investment proposals, issuing MIC permits or endorsements, granting tax incentives, land use rights and monitoring compliance.

For both local and foreign businesses, engaging with the MIC is often a key step in the investment process, especially when applying for incentives or undertaking significant projects in restricted or promoted sectors. Project proposals requiring a MIC permit include businesses which:

- have strategic importance to Myanmar;
- have large capital investments;
- have a large potential impact on the environment and local community;

- involve state-owned land; or
- are designated by the government as requiring a permit.

Internal Revenue Department

The IRD is the principal tax authority in Myanmar, operating under the Ministry of Planning and Finance. It plays a vital role in the business environment by overseeing the administration, collection and enforcement of taxes. The IRD administers major taxes such as corporate income tax, personal income tax, commercial tax and withholding tax. It ensures that businesses comply with tax laws.

It issues tax clearance and compliance certificates, which are often required for business transactions, licence renewals or repatriation of profits. It also conducts tax audits and investigates non-compliance to ensure accurate reporting and payment of taxes.

It is essential for businesses to engage with the IRD to maintain legal tax status, to avoid penalties and to fulfil reporting obligations under the country's tax laws.

Central Bank of Myanmar

The CBM serves as the country's main financial and monetary authority. It is the principal body in shaping the economic environment for businesses, particularly in areas related to finance, banking and foreign exchange. The key roles of the CBM include but are not limited to:

- monetary policy and financial stability;
- currency issuance and regulation;
- banking supervision and licensing;
- foreign exchange management; and
- regulating payment systems.

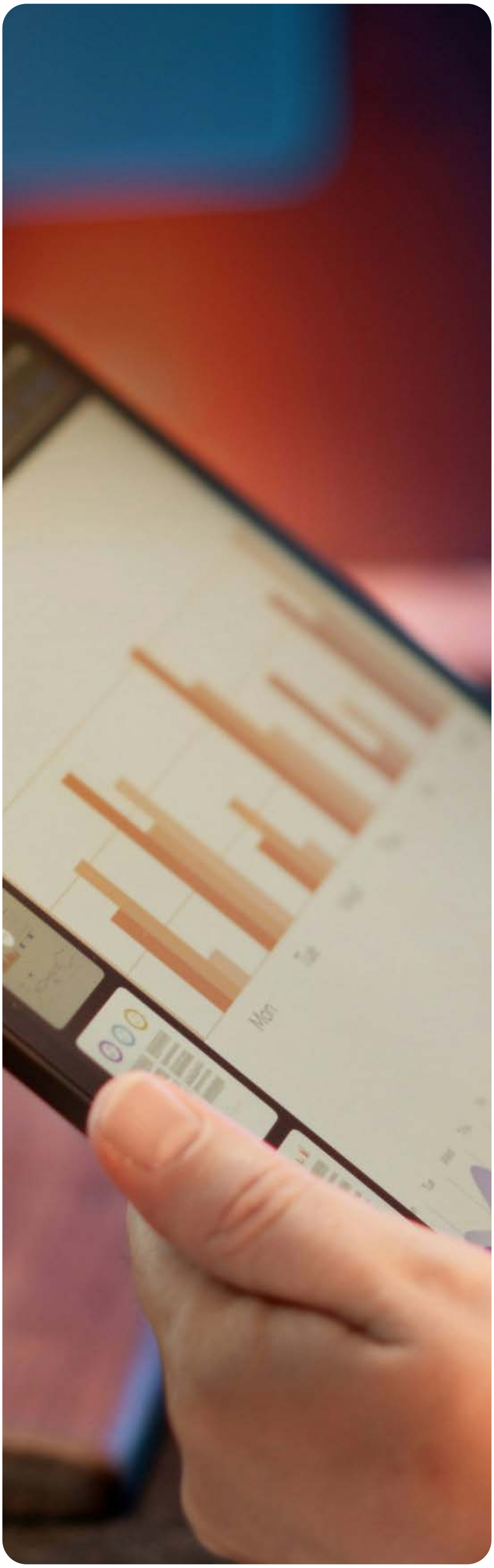
Applicable Legislation

To operate legally in Myanmar, businesses must comply with laws related to company formation, investment, tax, labour, environment and foreign exchange. The following are the major laws governing business operations, though other laws and regulations are to be complied with on a case-by-case basis:

- Myanmar Companies Law (2017);
- Myanmar Investment Law (2016) and Myanmar Investment Rule (2017);
- Myanmar Special Economic Zone Law (2014);
- Tax Administration Law (2019);
- The Union Tax Law (2025) (updated annually);
- Foreign Exchange Management Law (2012);
- Small and Medium Enterprise Development Law (2015); and
- Labour Laws.

There are other related directives, orders, instructions and notifications, which must be observed and followed.

Accounting and Taxation



Understanding Myanmar's accounting and tax environment is essential for doing business effectively and compliantly. The country has taken steps to modernise its financial reporting and tax administration systems, aligning with international standards while adapting to local economic conditions. Businesses are expected to maintain proper books of account, comply with financial reporting obligations and fulfil tax liabilities under a self-assessment system. Although the regulatory framework is improving, practical implementation may vary, and companies are advised to seek local professional guidance to navigate evolving requirements and ensure full compliance with both accounting and taxation rules.

Accounting Framework

Myanmar's accounting framework is governed by the Myanmar Accountancy Council (MAC) and administered through the Ministry of Planning and Finance (MoPF). Financial reporting is guided by Myanmar financial reporting standards (MFRS), largely based on international financial reporting standards (IFRS).

Large companies and foreign-invested enterprises are required to adopt full MFRS, while small and medium enterprises (SMEs) may apply simplified standards, such as MFRS for SMEs. According to Notification No. 91/2020 issued by the DICA, a small company is defined as one that has:

- annual revenue not exceeding MMK 50 million;
- total assets not exceeding MMK 100 million; and
- not more than 30 employees.

Only companies meeting the small company definition and not engaged in regulated sectors (e.g. banking, insurance, MIC-permitted activities) may qualify for audit exemption. However, all companies must still maintain proper books of account.

As per section 12(c) of the Myanmar Companies Law (2017), annual financial statements must be prepared in the Myanmar language and in MMK (the local currency), although companies may also prepare an English version for internal or foreign use. These statements are required for submission to the DICA and for regulatory compliance purposes.

Tax System

Myanmar operates a self-assessment tax system, overseen by the Internal Revenue Department (IRD). The major taxes applicable to businesses include:

- **Corporate income tax (CIT):** Generally, 22% for resident companies; special rates or exemptions may apply in promoted sectors or under MIC permits.
- **Commercial tax (CT):** A sales tax applied to goods and services, typically at a rate of 5%, though higher rates apply to luxury items.
- **Personal income tax (PIT):** Ranges from 0% to 25% on a progressive scale.
- **Withholding tax (WHT):** Applies to certain payments to residents and non-residents, including interest, royalties and service fees.
- **Specific goods tax (SGT):** Levied on items such as alcohol, tobacco and fuel.

Foreign companies should be aware of potential tax holidays, accelerated depreciation and other incentives under the Myanmar Investment Law. However, tax compliance is closely monitored, and procedures can vary depending on local practice. It is advisable to engage qualified tax professionals to ensure proper planning, timely filing and alignment with both national and MIC-related tax obligations.

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Reference Websites

Useful Links and Reference Websites

Myanmar National Portal	https://myanmar.gov.mm/
Directorate of Investment and Company Administration	https://www.dica.gov.mm/
Internal Revenue Department	https://www.ird.gov.mm/
Central Bank of Myanmar	https://www.cbm.gov.mm/
Office of the Auditor General of the Union	https://www.oagmac.gov.mm/
Labour Laws	https://www.ssb.gov.mm/portal/laws
Myanmar Companies Online	https://www.myco.dica.gov.mm

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