



Client Alert

KPMG in Myanmar



Removal of US sanctions on Myanmar

Subsequent to Daw Aung San Su Kyi's visit to the US and discussions with Washington, on 7 October 2016, President Obama issued an executive order terminating the national emergency declared in past executive orders in relation to Myanmar and removed financial sanctions on Myanmar.

As such, individuals and entities previously blocked under the sanctions regulations have been removed from the OFAC's Specially Designated Nationals and Blocked Persons ("SDN") list.

Another significant change with a wide ranging business impact is the removal of all OFAC administered restrictions under the sanctions program regarding banking and financial transactions with Myanmar.

However, it is important to note that the above removal does not impact other sanctions programs such as counter narcotics sanctions. A search of the OFAC website would continue to show a number of entities and individuals that continue to be the subject of other sanctions.

Key points to note

With the removal of the above sanctions, US investors should have less reporting obligations as well as concerns when investing into Myanmar. This is expected to alleviate some concerns of US companies that are evaluating potential investments into Myanmar.

Notwithstanding the above, with some individuals and entities still subject to other sanctions, it is expected that US and other investors will likely continue to undertake a detailed due diligence process in choosing appropriate joint venture partners in Myanmar. The removal of the banking sanctions is also likely to speed up the process for funds from the US to reach Myanmar.

These changes, together with the launch of the new foreign investment law in Myanmar, bring optimism that the fiscal year ending 31 March 2017 will hopefully bring increased levels of foreign investment into Myanmar even though the year started slowly.

How can KPMG help

KPMG can provide advice in the various areas of concern for investors. Thereafter, KPMG will also be able to assist in the actual setup of investment vehicles in Myanmar and the application process through the Myanmar Investment Commission and the Special Economic Zone management committees. KPMG also assists foreign investors in their search for suitable local joint venture partners.

About Client Alerts

KPMG Client Alerts highlight the latest tax and regulatory developments, impending changes to laws or regulations, current practices and potential problem areas that may impact your company. As certain issues discussed herein are time sensitive, it is advisable to make your plans accordingly.

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