

**Standard Operating Procedure–SOP for the Registering a Retailer/Wholesaler as per
Notification No.25/2018**

1. This Standard Operation Procedure (SOP) sets out the process to register as a retailer/wholesaler and the required documents and fees. The Ministry of Commerce may amend this SOP as and when the Ministry deems it necessary.

Chapter (1)

Categories of Companies

2. The process for registering as a retailer/wholesaler depends upon the category of the applying company. The four categories are as follows.

- (A) **Category A: Companies to be established as Wholly Foreign Owned or Joint Venture Between Foreigners and Myanmar Citizens(Foreign Joint Venture Companies)**

This category covers 100% foreign owned and foreign joint venture companies that are newly established in Myanmar in order to register as a retailer/wholesaler.

- (B) **Category B: Companies already established as Wholly Foreign Owned or Joint Venture Companies between Foreigners and Myanmar Citizens (Foreign Joint Venture Companies)**

This category covers 100% foreign owned or foreign joint venture companies that are already established in Myanmar but currently do not have the right to engage in retail/wholesale business and who wish to register as a retailer/wholesaler.

- (C) **Category C: Companies already established as Wholly Foreign Owned or Joint Venture Companies Between Foreigners and Myanmar Citizens (Foreign Joint Venture Companies) that already have permission to engage in Retail/Wholesale Business**

This category covers 100% foreign owned or foreign joint venture companies that are currently permitted to engage in retail/wholesale activities in Myanmar under a MIC permit or through a previous Notification allowing retail/wholesale activities to be carried out by foreigners.

(D) Companies D: Myanmar Citizen Companies engaging in Retail/Wholesale Business Covered by this Notification

This category includes Myanmar Citizen companies carrying out retail/wholesale business and that have capital investment amount greater than US\$700,000(or) the MMK equivalent. Myanmar Citizen retail/wholesale companies with less than capital investment amount US\$700,000 are not required to apply for retail/wholesale business registration at the Ministry of Commerce.

Chapter (2)

Retail/Wholesale Business Registration Process

3. This SOP shall apply to the retail/wholesale of goods sold only at a shop or location that is designated for such operations but shall not apply to goods sold through the use of mobile or movable distribution and door-to door distribution services. Further, it does not apply to the provision of other services, including food and beverage services such as restaurants and cafes.

Right of Registered Retailers/Wholesale

4. If a company with a retailer/wholesale registration certificate wishes to import goods for sale and distribution, it can do so by obtaining an exporter/importer registration certificate. It shall be able to carry out retail/wholesale business throughout the country for any goods that are included in the priority list of retail/wholesale goods issued by the Ministry of Commerce.

Application

5. The application form can be downloaded free of charge at the official website of the Department of Trade, Ministry of Commerce at www.commerce.gov.mm and the fully completed application form with two extra copies should be submitted with supporting documents.
6. A company may apply for registration to carry out either retail or wholesale business, or for both retail and wholesale business together. If a company applies to register for both retail and wholesale business, the initial investment amount shall be the sum of the initial investment amount stipulated for a retail business and for a wholesale business.

Priority List of Goods Allowed to be Sold

7. A priority list of goods which foreign companies and foreign joint venture companies are allowed to conduct retail/wholesale business has been issued by the Ministry of Commerce.

Place of Registration

8. Category A, B and C companies shall apply for registration at Department of Trade, Office No.3, Ministry of Commerce, Nay Pyi Taw.
9. Category D companies shall register at one of the following location:
 - (a) Export/Import Office (Yangon), Department of Trade, Ministry of Commerce, Yangon;
 - (b) Export/Import Office (Mandalay), Department of Trade, Ministry of Commerce, Mandalay; and,
 - (c) Department of Trade, Office No (3), Ministry of Commerce, Nay Pyi Taw.

Supporting Documents to be Submitted for Retail/Wholesale Registration

10. All Category A, B and C companies registering to operate a retail/wholesale business shall apply for retail/wholesale registration with the following supporting documents:
 - (a) Company Registration certificate (copy);
 - (b) MIC's permit or endorsement (copy);
(only for foreign companies or foreign joint venture companies that are required to obtain MIC's permit or endorsement);
 - (c) Recommendation from the respective City Development Committee or Region/State Township Development Committee;
 - (d) List of commodity categories for sale by the retail/wholesale distribution business;
 - (e) A 5-year business plan of the company to carry out its retail/wholesale business, which shall include:
 - (i) capital investment amount (both initial investment amount and the plan to inject capital over the next 5 years)
 - (ii) sales, distribution and management plan;
 - (iii) location and size of space;
 - (iv) A description of how the company will promote the objectives of the Notification allowing retail and wholesale business, such as job creation,

technology transfer, enhancing consumer choice through lower prices or better quality, and the promotion of small and medium enterprise.

(f) The number and location of any intended new outlet(s); (if possible, describe the exact location); and,

(g) Evidence of receipt by a local bank from a foreign bank on the transfer of the initial investment amount.

(The MOC will issue only a temporary retail/ wholesale registration certificate if a company cannot submit evidence of receipt by a local bank of the transfer of the initial investment amount when applying for the registration. The MOC will issue a retail/wholesale registration certificate only after receiving such evidence within 30 day.)

Note: Retail/wholesale business are required to give priority to Myanmar citizens when hiring for their operation.

11. All Category D companies shall apply for retail/wholesale registration within 150 days from the issuing of the Notification with the following supporting documents:

(a) Company Registration Certificate

(b) A business plan that states how the company will carry out its retail/wholesale business, including:

(i) a list of commodity categories for sale by the retail/wholesale distribution business;

(ii) the operating budget of the retail/wholesale distribution for the past year;

(iii) sales, distribution and management plan; and

(iv) Location and size of space.

(c) If there are other outlets, provide the number of such outlets along with a list of commodity categories of goods sold in each retail/wholesale outlet and a business plan.

Chapter (3)

The Minimum Initial Investment Amount on Goods for sale

12. The retail/wholesale registered company shall invest the initial investment amount on goods to be sold as set out in the Notification and shall comply with the following requirements set out for the respective category of companies.

- (a) Category A and B companies shall invest the minimum investment amount on goods to be sold, not including costs for leasing land, as follows:

Prescribed Period	Minimum Deposit Required
Within 30 days from the date of applying for a retail/wholesale registration certificate	To deposit at least 50% of the total initial investment amount for goods to be sold to a local bank from a foreign bank, and to submit evidence of the bank deposit.
The second year	To deposit at least 50% of the total initial investment amount for goods to be sold to a local bank from a foreign bank, and to submit evidence of the bank deposit no later than the last month of the second year of business operation.
The third year	To deposit the remaining amount to meet 100% of the total initial investment amount for goods to be sold to a local bank from a foreign bank, and to submit evidence of the bank deposit no later than the last month of the third year of business operation.

- (b) If a Category B company is manufacturing and distributing goods within Myanmar and wishes to sell imported goods in addition to the aforementioned goods, the company shall invest the minimum investment amount for the goods to be sold, not including costs of leasing land, as follows:

Prescribed Period	Minimum Deposit Required
Within 30 days from the date of application for registration and for the first year	<p>To deposit at least 50% of the total initial investment amount from a foreign bank to a local bank during the first year since the business started. The deposit can be made in two instalments as follows:</p> <ul style="list-style-type: none"> - Submit evidence of the value goods manufactured in Myanmar to be sold and distributed through

	<p>retail/wholesale at the time of registration, and deposit at least 20% of the total initial investment amount for the sales of the imported goods to a local bank from a foreign bank and submit evidence of the deposit (in 30 days).</p> <p>- Deposit the remaining 30 % of the total initial investment amount for the sales of imported goods to a local bank from a foreign bank and submit evidence of the deposit no later than the last month of the first year of business operation.</p>
The second year	Deposit at least 80% of the total initial investment amount for the sales of imported goods to a local bank from a foreign bank and submit evidence of the bank deposit no later than the last month of second year of business operation.
The third year	Deposit the remaining amount of the total initial investment amount to a local bank from a foreign bank and submit evidence of the bank deposit no later than the last month of third year of business operation.

- (a) The minimum investment amount to be made by Category C Companies for the sale of goods is as follows:
- (i) Submit evidence of the investment on the sale of goods already made from the start of retail/wholesale business to 30 days before the date of application.
 - (ii) If the wholly foreign owned companies and joint venture companies between Myanmar citizens and foreigners do not have the full required investment amount, they shall fulfil the required amount as prescribed in Notification No. 25/2018 within 5 years from the date of submitting the application for retail/wholesale registration. They also need to

provide a plan to fulfil such required investment amount with the first 5 years term of registration.

(iii) Submit evidence in the form of a bank deposit which shows the full payment of the required initial investment amount for the first 5 years at the time of submitting the application to renew the retail/wholesale registration.

(b) Category D Companies only need to apply for retail and wholesale registration, without any limitation on the initial investment amount.

13. If Category A, B and C companies have fulfilled the full amount of the required initial investment within the first year, they are not required to submit evidence of any additional investment made. Bank transfers from a foreign bank can be made to any government or private banks (domestic or foreign) that has the relevant license from the Central Bank of Myanmar to operate in Myanmar.

Chapter (4)

Sales Floor Area

14. Category D companies can operate individual outlets without any limitation on the size of floor space.

For Retail

15. The individual outlet for a retailer must be of a at least 929 square meters; this may include a small office space and storage under one roof within the outlet. It excludes office space, external storage, and car parking.

16. For a Shopping mall, the space must be above 929 square meters and be suitable for a mall. The owner of the mall or a mall operator must apply for registration but individual shop owners that are operating in the mall will not be required to apply for registration . However, if an individual retailer who operates a retail business in the mall would like to import commodities, they may do so under the name of the mall owner or operator which has already obtained exporter/importer registration. Alternatively, if a retailer wishes to import commodities by itself, they may do so with the endorsement of an authorized person of the mall operator or owner which has obtained exporter/importer registration.

For Wholesale

17. Depending on the types of goods to be sold, the outlet must have sufficient space to operate a wholesale business. In the case of direct wholesale distribution from a storage area, the storage area must be located at an appropriate place.

For Both Retail and Wholesale

18. In determining whether the location and space area of a retail/wholesale distribution business is accurate and appropriate, if the information included in the business plan is different from the information described in the recommendation of respective City Development Committee or if there is doubt about the accuracy of the location or space, the team composed of relevant departments will conduct field inspections.

Chapter (V)

Opening of New Outlets

19. If retail/wholesale registered companies under Category A, B, C and D wish to open a new outlet, they shall submit the following supporting documents with attention to the Director General, Department of Trade, at the following offices either in person or by postal service 90 days in advance:
 - (a) **Offices:**
 - (i) Export/ import office (Yangon), Department of Trade, Ministry of Commerce, Yangon;
 - (ii) Export/Import Office (Mandalay), Department of Trade, Ministry of Commerce, Mandalay; or
 - (iv) Department of Trade, Office No(3), Ministry of Commerce, Naypyitaw
 - (b) **The supporting documents:**
 - (i) Location and size of space of intended new outlet of outlets;
 - (ii) The name of the new intended outlet and the business plan if different from that of the previous name and business plan; and,
 - (iii) Recommendation from the respective City Development Committee or Region/State Township Development Committee.

20. If Category A, B and C companies plan to open a new outlet, they must comply with the initial investment amount and the size of space required by Notification No.25/2018.

Chapter (6)

Validity of Retail/Wholesale Registration Certificate

Validity of Registration

21. The validity of a retail/wholesale registration certificate is 5 year from the date that the registration is issued.

Registration Fee

22. The fee to register a retail/wholesale business is MMK50,000.

Registration Renewal and Renewal Fee

23. A registration can be renewed within two months before the expiration date by applying form with the company's letterhead along with the company directors list, shareholders list and a business plan for 5 years (excluding evidence of additional investment). The renewal fee is MMK 50,000.

Fine for Registration after Expiration Date

24. The following fines will be applied if a renewal application for registration is submitted after the expiration date:

Renewal Period	Fines
(a) Within two months after the expiration date	Kyats 20,000 (Twenty thousand kyat)
(b) Within four months after the expiration date	Kyats 30,000 (Thirty thousand kyat)

Suspension of Wholesale/Retail Registration

25. If a company does not renew the registration within four months after the expiration date, the retail/wholesale registration will be suspended, and the right to import retail/wholesale goods will also be suspended.

26. If a company with a temporary retail/wholesale registration certificate fails to provide evidence of receipt of the minimum investment amount transferred to local bank from a foreign bank within 30 days from the date of receiving temporary registration; such temporary registration will be cancelled.

Sanctions

27. Despite complying with all criteria for registration, if it is found that a company is carrying out retail/wholesale business without a valid registration as a retail/wholesale business, the following actions will be taken:
- (a) A first reminder notice to register will be sent. If no response, a second reminder notice will be sent; and
 - (b) If a company, whether Myanmar citizen owned, wholly foreign owned or a joint venture company, fails to submit a registration application despite such warnings, its exporter/importer registration certificate will be cancelled and its right to import goods will be terminated.
28. If a Category A, B and C company fails to show evidence of receipt on the initial investment amount for the sale of goods transferred to a local bank from a foreign bank within the prescribed period set out above.
- (a) A first reminder notice to provide evidence of such receipt by the local bank will be sent.
 - (b) If no response, a second reminder notice will be sent to the company; and
 - (c) If a company fails to provide evidence of the bank deposit within the prescribed period following the second reminder notice, their exporter/importer registration certificate will be cancelled and their right to import goods will be terminated.