

Thailand Becomes the Second Largest Investors of the Thilawa Special Economic Zone in Myanmar

The Thilawa Special Economic Zone (“TSEZ”) is a 2,500 hectares industrial complex being developed in Kyauktan and Thanlyin Townships, 25 kilometers from Yangon under a joint venture between the governments of Myanmar and Japan and some other private investors.

As of October 2016, more than US\$800 million have been invested in the TSEZ. A total of 79 companies from 17 countries have committed to invest in the TSEZ. Japan stands at the top of the investors' list with 39 companies followed by Thailand with 12 companies.

Corporate Tax Exemptions

The TSEZ is divided into parts, the Free Zone and the Promotion Zone. Under the Special Economic Zone Law of 2014, companies investing in the Free Zone and in the Promotion Zone TSEZ may obtain corporate tax exemptions for the first 7 or 5 years respectively.

Retail Trading and Wholesale Activities

Foreign companies are generally prohibited from engaging in trading activities in Myanmar. The Management Committee of TSEZ has issued an instruction on 27th May 2015 (the “**Instruction**”) for allowing trading activities for companies operating in the TSEZ. Under this Instruction, companies registered in the Promotion Zone may carry out retail trading activities inside the TSEZ and wholesale trading activities both inside and outside the TSEZ. Companies registered in the Free Zone are not allowed to operate any retail trading activities, but may carry out wholesale trading activities both inside and outside the TSEZ when specific conditions are met.

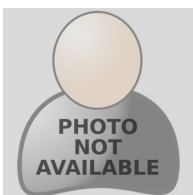
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