

LEGAL ALERT

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Liberalisation of Investment in the Education Sector in Myanmar

In order to liberalise and promote the education standard in Myanmar, the Myanmar Investment Commission (“MIC”) released Notification (7/2018) (“the Notification”) dated 20 April 2018 which sets out the criteria and list of additional guidelines and specifications to structure developments in the Myanmar education sector.

According to the Notification, MIC allows foreign investors to make full capital investments in the education sector in Myanmar. This means that fully owned foreign companies in Myanmar or joint venture between local and foreign investors can now own and operate private schools teaching a curriculum prescribed by the Ministry of Education (“MOE”) or an international curriculum.

The Notification provides for the types of education permitted by the MIC for investments, which is as follows:

No	Types of School	Definition
1	Private basic education school	Prescribes basic education that is mandatory for citizens and provides teaching and training to enable students to qualify for technical, vocational education or higher education.
2	Private technical, vocational and training school	School that systematically produces experts in practical skills, technical and mechanical technicians and experts, and vocational education scholars, technicians, and experts.
3	Private higher education school	Provides teaching and training to those who have successfully completed the highest level of basic education or its equivalent.
4	Private subject based school	Provides courses for school admission, on-the-job training, or languages, or a private enterprise operated by one or more persons that provides teaching of subjects taught in a university, college, institute, or school established by the State or teaching of subjects prescribed for an examination.
5	Private school designated by the Ministry	School designated as such by the Union Government, Ministry of Education or a relevant Ministry.



In establishing the private schools, the form of investment that are covered for foreign investment are private schools established by full capital investment of foreigners, a foreign organisation, foreign companies or a foreign government organisation that are covered in the types of education services as listed above.

In order to further enhance the education services, the Directorate of Investment and Company Administration (“DICA”) has released the standard criteria for education services, with specific guidelines on organisational structure, types of investment, education institutions, types of syllabus and course content, certifications provided to students, the required qualifications of private school teacher in teaching, the terms and conditions for school compound or school building, the recommendation of the relevant Ministry for approval, some required commitments of investor regarding compliance and restriction of the private school, etc. The MIC and the relevant MOE may permit investors to carry out investment in education services in the form of private schools teaching in Myanmar according to the standard criteria. The schools shall also comply with the National Education Law 2014 and the Notification shall remain effective until such time when the law relating to establishment of private schools in Myanmar is enacted. When such law has been enacted, foreign investors will need to comply with the new law.

Prior to the Notification coming into force, foreign investors were only allowed to invest up to 50% in the education sector with the approval of the MOE. The Notification now allows foreign investors to make full capital investments in the education sector in Myanmar. This liberalisation will attract internationally accredited education organisations to set up in Myanmar and bring in more international education options to the local students, while raising the standards of education in Myanmar to internationally recognised standards. Notwithstanding that approval has to be given by MIC in relation to 100% foreign investment in private schools, it remains to be seen what the actual impact this will carry when clearer rules and guidelines are in place.

If you have any questions or require any additional information, you may contact [Thit Thit Kyaw](#), [Pyae Sone Thein Htike](#) or the ZICO Law partner you usually deal with.

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