

LEGAL
ALERT

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The Liberalisation of the Insurance Market for Foreign Entities in Myanmar

The Ministry of Planning and Finance (“MOPF”) announced, vide Announcement No. (1/2019) (“the Announcement”), that the insurance sector will be liberalised for foreign insurers.

The MOPF has requested invitations of the Expression of Interest (“EOI”) and /or Request for Proposal (“RfP”) from interested foreign insurers who wish to conduct insurance business in Myanmar. According to a source from the Ministry, the MOPF expects to complete the selection process within two to three months from the date of the Announcement.

The Myanmar Insurance Sector Liberalisation Roadmap (“the Roadmap”) was approved by the Government to accumulate the investment that is needed for the country’s economic development and development of the non-banking sector. Local insurance companies have been mandated by the MOPF to operate separate life insurance and non-life insurance entities. The following methods of licensing shall be implemented in accordance with the Roadmap:

a. **Life Insurance Companies**

- Option 1 – issuing a life insurance business license limited to the operation of up to three licences to a subsidiary wholly owned by foreign insurance companies.
- Option 2 – permitting a foreign life insurance company or a foreign insurance company operating both life insurance and general insurance to form a joint venture with a local insurance company if the foreign company has an existing representative office in Myanmar.

b. **General Insurance Companies**

Permitting a foreign general insurance company or a foreign insurance company operating both life insurance and general insurance to form a joint venture with local insurance company if the foreign company has an existing representative office in Myanmar.

The next step would be selecting a short-list of licensees, followed by the granting of provisional licences for foreign insurers and brokers. Once an insurance company has been granted the licence, 30% of the required capital is to be used to buy government bonds, working capital would represent 60% of their capital requirement with the remaining 10% to be deposited with the Myanma Economic Bank.

It has been a long-awaited gesture for the insurance market which is virtually untapped and we all welcome the change from the bottom of our hearts.

We foresee more insurance related activities in Myanmar and exponential growth in this sector. Dr Maung Maung Thein, ZICO Law Myanmar’s Executive Chairman, personally opened the market to domestic players whilst in his role as Deputy Minister of Finance and Chairman of the Insurance Regulatory Board, and directly oversaw regulatory functions. Therefore, we believe we are ideally equipped to prepare an EOI and RFP for interested foreign insurers.



If you have any questions or require any additional information, you may contact [Dr Maung Maung Thein](#) or the ZICO Law partner you usually deal with.

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