

A Guide to the MIC Permit for Foreign Investors in Myanmar's Solar Sector

MIC Permit Framework & FDI Entry Strategy

Content Partner: J. v. G. technology GmbH

Turnkey solar module production lines — since 1997

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Technical Overview: Myanmar's MIC Permit for Solar Investors



Created as part of the PVKnowHow Knowledge Network



Prepared by J.v.G. Technology GmbH



European specialists in turnkey solar module production lines

Key Project Data

FDI

Investment Type

Foreign Direct Investment –
solar module manufacturing
sector

MIC

Approval Process

Myanmar Investment
Commission Permit (MIC
Permit) required

90–150

Timeline (Days)

Estimated total duration
from application submission
to permit issuance

50yr

Land Lease Right

Initial lease term available to
MIC permit holders;
extendable twice for 10 years
each

📄 Scale: Solar module manufacturing investment · Region: Myanmar · Source: PVKnowHow / J.v.G. Technology GmbH

What Is the Myanmar Investment Commission?

Legal Basis

- Established under the Myanmar Investment Law (MIL) 2016
- Replaces the Foreign Investment Law 2012
- Governs both foreign and domestic investment approvals

Role & Authority

- Government-appointed inter-ministerial body
- Issues MIC Permits and MIC Endorsements
- Grants tax incentives, land lease rights, and investment protection

Scope of Oversight

- Approves strategic, large-capital, and environmentally significant projects
- Solar manufacturing qualifies as a promoted sector under MIL
- Monitors ongoing compliance via quarterly reporting requirements

Why a MIC Permit Is Required for Solar Manufacturing

Qualifying Criteria

- Large-capital foreign investment in manufacturing
- Classified as a "promoted business" under MIL notification 13/2017
- Renewable energy production explicitly listed as a promoted sector
- Investment scale and potential environmental impact trigger MIC review

What the Permit Unlocks

- Long-term land lease rights (up to 50 years + extensions)
- Tax exemptions and income tax holidays
- Customs duty relief on machinery and raw materials
- Investment protection guarantees under Myanmar law
- Right to repatriate profits in foreign currency

MIC Permit Application Process

1 — Pre-Application Preparation

Company registration under Myanmar Companies Law · Preparation of investment proposal, feasibility study, and environmental assessment

2 — Submission to DICA / MIC

Application submitted via the MyInO online portal (mandatory since September 2023) · Hard-copy submission required in parallel during transition period

3 — Proposal Scrutiny Committee Review

Detailed presentation of the project to the committee · Questions answered; amendments made if required

4 — MIC Commission Meeting

Full commission reviews and votes on the proposal · Permit issued or denied; conditions may be attached

5 — Post-Permit Compliance

Submission of land lease agreements, joint venture documents, and all licenses · Quarterly reporting to MIC from commencement of operations

Investment Incentives: Tax Exemptions

Income Tax Holiday

- Zone 1 (less developed): 7 consecutive years from commercial operation
- Zone 2 (moderately developed): 5 consecutive years
- Zone 3 (developed): 3 consecutive years
- Location of factory determines applicable zone

Export & Reinvestment Relief

- Up to 50% income tax relief on profits from exported manufactured goods
- Exemption or relief from income tax on profits reinvested in Myanmar
- Exemption from commercial tax on goods manufactured for export

Loss Carry-Forward

- Losses may be carried forward for up to 3 consecutive years after the tax holiday period
- R&D expenses deductible from taxable income if relevant to business objectives
- Depreciation on capital assets at MIC-prescribed rates

Customs & Import Duty Benefits

Construction Phase

- Exemption from customs duty and internal taxes on imported machinery, equipment, instruments, and spare parts
- Applies during the construction and preparatory period of the investment
- Covers construction materials not available locally

Production Phase

- Exemption or relief from customs duty on raw materials imported for production — first 3 years after construction
- Ongoing relief available for wholly export-oriented manufacturing operations
- Customs refund mechanism available for re-exported finished goods

Business Expansion

- If investment is expanded within approved timeframe: duty exemptions on additional machinery and materials
- All incentives subject to MIC discretion and compliance with conditions
- Records must be retained for 7 years for customs audit purposes

Land Lease Rights for Foreign Manufacturers

Default Restriction

- Under the Transfer of Immovable Property Restriction Act (1987): foreigners may only lease land for up to 1 year
- Without an MIC Permit or Endorsement, long-term factory operations are legally constrained
- MIC approval is therefore essential for any manufacturing investment

MIC Permit Exception

- Initial lease: up to 50 years
- Renewable: twice for 10 years each (total up to 70 years)
- Applies to both private and state-owned land
- Lease may be mortgaged or transferred with MIC approval
- Extended terms may be granted in less-developed regions

MIC Permit vs. MIC Endorsement: Key Differences

Criterion	MIC Permit	MIC Endorsement
Required for	Strategic, large-capital, or high-impact investments	Smaller projects seeking tax or land benefits
Process complexity	Full committee review and commission vote	Simpler registration-style process
Tax incentives	Full suite available (income tax holiday, customs, etc.)	Available; subject to MIC discretion
Land lease right	Up to 50 years + extensions	Up to 50 years + extensions
Issuance timeline	Subject to commission meeting schedule	Typically within 15 working days
Solar manufacturing FDI	Required (large-capital FDI threshold)	Not sufficient for this scale

Compliance & Operational Requirements

Ongoing Reporting

- Quarterly reports to MIC in prescribed format – mandatory from first year of operations
- Annual submission of financial accounts and records
- All tax records, receipts, and documents retained for a minimum of 7 years

Workforce & Staffing

- Foreign expert appointments require MIC notification and approval under Section 51(a) of MIL
- Applications managed through the MyInO online investment monitoring platform
- Changes to employee numbers and resignations must be reported to MIC

Environmental & Social

- Environmental Impact Assessment (EIA) required prior to permit issuance
- Social and environmental assessments coordinated through MIC process
- Insurance policy must be held with a Myanmar-registered insurer

Strategic Entry: Turnkey Manufacturing Concept

1

Proven Concept

A proven European turnkey manufacturing concept reduces technical risk — factory design, equipment selection, and process validation delivered as an integrated package

2


MIC Alignment

Turnkey scope supports MIC proposal requirements: defined investment value, equipment lists, production capacity, employment projections, and environmental plans

3

Operational Readiness

On-site team training included — no prior solar manufacturing experience required from the local team; accelerates time-to-production after permit approval

 An experienced European turnkey provider integrates process expertise with full MIC application documentation support — reducing the administrative learning curve for first-time Myanmar market entrants.

Strategic Importance of Myanmar's Solar Sector

Market Access

- Manufacturing listed as a priority promoted sector under MIL
- 100% foreign-owned investment permitted in manufacturing
- Myanmar holds bilateral investment treaties with 11 countries

Cost Structure

- Tax holidays of 3–7 years reduce early-stage cost burden
- Customs exemptions on imported machinery lower initial capex
- Long-term land lease provides operational security at lower cost

Risk Considerations

- Political and regulatory risk must be assessed on a case-by-case basis
- MIC process quality and timelines subject to administrative capacity
- Specialist legal and tax advisory strongly recommended prior to application



Key Sources & Disclaimer

Reference Sources

- Myanmar Investment Law (MIL) 2016 — enacted 18 October 2016
- Myanmar Investment Rules (MIR) 2017 — Notification No. 35/2017
- DICA (Directorate of Investment and Company Administration) — dica.gov.mm
- PVKnowHow / J.v.G. Technology GmbH — composite reference scenario
- PwC Myanmar Tax Summaries — Tax Credits and Incentives section

Disclaimer

This presentation is based on publicly available regulatory sources and composite reference scenarios. It is intended for informational and educational purposes only.

It does not constitute legal, tax, or investment advice. Independent legal and tax counsel should be engaged before committing to any investment in Myanmar.

About the Content Partner

J. v. G. technology GmbH – The DESERT Company

Founded in 1997 in Bavaria, Germany. Family-owned engineering company specializing in turnkey solar module production lines.

More than 90 factory projects delivered worldwide.

On-site team training included – no prior manufacturing experience required.

Key areas:

Turnkey PV manufacturing lines | DESERT Technology® |
TÜV-certified module designs | Factory planning to production

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Source:

<https://www.pvknowhow.com/countries/myanmar/mic-permit-process-solar-factory-myanmar>

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