

CLIENT UPDATE 2015 OCTOBER

LABOUR LAW

Minimum Wages Set at 3,600 Kyat a Day in Myanmar

Pursuant to the Minimum Wage Law 2013 and the Minimum Wage Rules 2013, the National Committee for Minimum Wage issued Notification No.2/2015 on 28 August 2015 which set the minimum wage at 450 Kyat per hour for each standard 8 hour working day (or 3600 Kyat a day) with effect from 1 September 2015. This stipulated rate of minimum wage applies uniformly to all workers nationwide and across all industries except those in small, family-run businesses with a workforce of less than 15 workers.

According to the Minimum Wage Law 2013, "wage" does not include travelling allowances, pension payments, social security benefits, allowances for accommodation and meals, medical treatment allowances, any compensation from dismissal from work and any other fees stipulated by the Ministry of Labour and approved by the Union Government.

Under the Minimum Wage Law, the minimum wage is applicable to both part-time and casual workers. In this regard, there may be practical compliance challenges for businesses with just under 15 workers but periodically hire part-time or casual workers to meet seasonal demand. Replacing an employee who is on maternity on a temporary basis can also cause the worker headcount to exceed 15.

Any employer who fails to pay a worker the stipulated rate of minimum wages shall be liable to a fine of 5 lakhs (equivalent to approximately 500,000 Kyat) and/or imprisonment of one year. The National Committee for Minimum Wage may revise the rate of minimum wage by way of a new notification at least once every two years. Please note that under the Minimum Wage Law 2013, employers are obliged to inform their workers of the rate of minimum wage payable to them.

Businesses within Myanmar's Special Economic Zones will not be subject to this stipulated rate of minimum wage. Instead, the relevant Special Economic Zone Management Committees will be responsible for setting the rate of minimum wage in consultation with and under the guidance of the National Committee for Minimum Wage, subject to the approval of the Union Government.

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ASEAN Economic Community Portal

Ahead of the launch of the ASEAN Economic Community (“AEC”) in December this year, businesses looking to tap the opportunities presented by the integrated markets of the AEC can now get help a click away. Rajah & Tann Asia, United Overseas Bank and RSM Chio Lim Stone Forest, have teamed up to launch “Business in ASEAN”, a portal that provides companies with a single platform that helps businesses navigate the complexities of setting up operations in ASEAN.

By tapping into the professional knowledge and resources of the three organisations through this portal, small- and medium-sized enterprises across the 10-member economic grouping can equip themselves with the tools and know-how to navigate ASEAN’s business landscape. Of particular interest to businesses is the “Ask a Question” feature of

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