



LABOUR & EMPLOYMENT SERIES

Part I: Managing Employment Relationships
Frequently Asked Questions by Employers



This article is based on our understanding of the publicly available regulations in Myanmar. It may be affected by laws subsequently passed by the Myanmar government or notifications adopted by various ministries.

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FOREWORD

Employment law in Myanmar has undergone significant changes in recent years, reflecting the country's evolving regulatory landscape and its growing integration into the regional and global economy. For employers and employees alike, navigating this framework can often present challenges, particularly when trying to align local requirements with international standards of practice.

Part I of this 2-part series is intended to provide a practical overview of the basic labour and employment considerations in Myanmar (excluding the considerations pertaining to the regime in Special Economic Zones), focusing on questions that frequently arise in the course of managing workplace relationships. By addressing topics such as employment contracts, foreign worker regulations, termination procedures, and dispute resolution, we aim to equip readers with clear and reliable guidance on fundamental legal obligations and rights.

We trust this guide will be a useful reference for businesses operating in Myanmar and for professionals seeking to understand the country's labour law framework.

Warm regards,

Nishant Choudhary
Partner & Managing Director, Myanmar

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EMPLOYMENT CONTRACTS

1. Is a written employment contract required in Myanmar?

Yes.

2. What are the minimum requirements regarding the form and content of an employment contract, if any?

Employers must use the standard employment contract ("**SEC**") form prescribed by the Ministry of Labour ("**MOL**").

Typical clauses in SEC include type of employment, probation period, wage/salary details, term of employment, working hours per day/week, overtime provisions, internal regulations and conduct rules and so on.

3. What types of employment contracts are permitted (e.g., fixed-term, indefinite)?

Both. Further, the employment contract ("**EC**") must conform to the SEC format prescribed by the MOL.

4. Must contracts be registered with a government authority? proceedings?

If you are employing 5 or more employees, you must register each EC with the relevant Township Labour Office within 30 days from the appointment date of each employee.

5. What are the language requirements for employment contracts?

Myanmar or Bilingual (with any other language).

FOREIGN WORKERS

6. Are work permits required for foreign employees?

Myanmar does not have a formal work permit system. Foreign employees must obtain approval from the Myanmar Investment Commission if they are employed by a company holding a permit from the commission.

Foreign employees need a business visa, a stay permit (for longer stays beyond typical visa duration), multiple-journey re-entry visa if needed for travel during the employment period.

7. What are the restrictions on employing foreigners in Myanmar?

Foreigners must occupy senior/technical roles; employer must justify the basis for employment and ensure local knowledge transfer.

8. Is there a quota system for foreign hires?

Generally, no national statutory quota system exists for hiring foreign employees in Myanmar, outside of certain special economic zones ("SEZ").

Companies outside of SEZ legal frameworks do not have legally mandated fixed quotas. But they must justify foreign hire as necessary for technical or managerial roles, show knowledge transfer mechanisms, comply with immigration and reporting obligations towards Myanmar Investment Commission (applicable to companies holding permits issued by said commission).

TERMINATION AND SEVERANCE

9. What are the permitted grounds for dismissal under Myanmar law?

1. Mutual Agreement
2. Misconduct/Disciplinary Grounds (i.e., repeated absence without leave or reasonable excuse, theft, fraud, or dishonesty, willful disobedience or insubordination, negligence of duties or damage to company property, drunkenness or drug use on duty, violation of company rules or safety standards.
3. Redundancy / Retrenchment
4. Probationary Termination
5. Business closure
6. Death of employee
7. Criminal Conviction.

10. Is severance pay required upon termination?

Yes. But the entitlement does not arise if the termination is due to non fulfilment of duties after repeated warnings or due to serious misconduct.

11. What notice periods must be observed by employers and employees?

1 month notice.

12. Is there a requirement to consult with the labour union in cases of termination?

Only in cases where there are labour unions at the workplace. In other cases, provided you employ 30 or more persons, then you need to have a Workplace Coordinating Committee, and consult with said committee prior to terminating an employee.

UNIONS AND DISPUTE RESOLUTION

13. Are employees allowed to form and join trade unions?

Yes. If the union comprises at least 30 members.

14. What is the procedure for resolving labor disputes?

Hierarchy of labour dispute resolution:

1. Workplace coordination committee
2. Township Conciliation Body
3. State/Regional Arbitration Body
4. National Arbitration Council.

15. Is collective bargaining recognized in Myanmar?

Yes.

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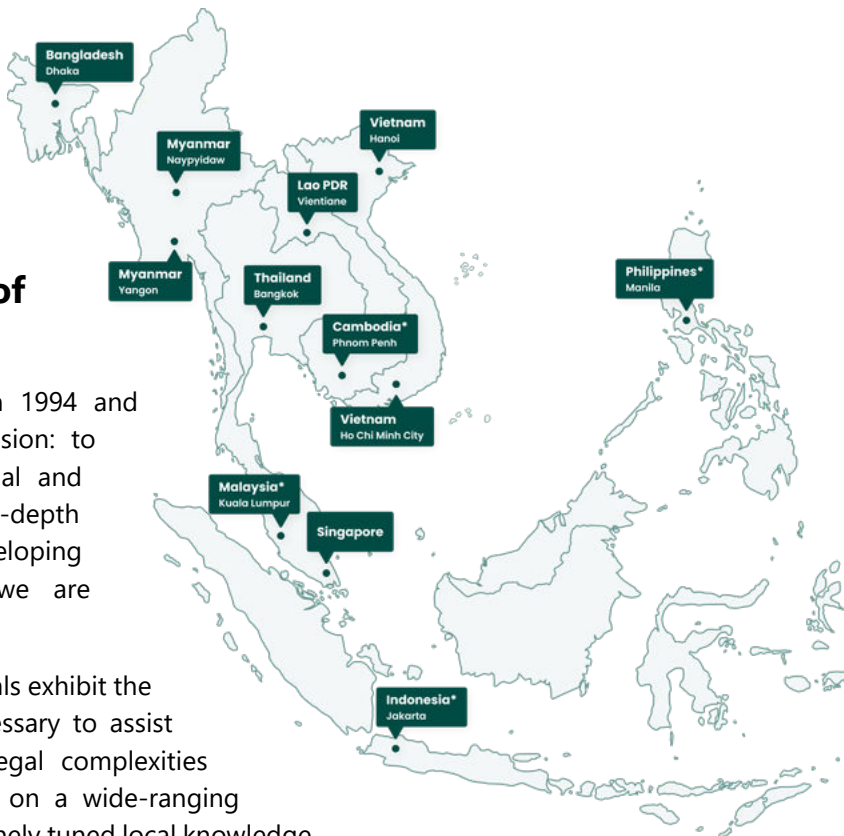
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