

# LEGAL AND TAX DIGEST

BANGLADESH

LAOS

MYANMAR

Legislative developments – May 2026



# BANGLADESH

## Banking and Finance

*FEPD-1 Circular No. 09 of 2026 dated 11 May 2026 issued by the Foreign Exchange Policy Department-1 on “Release of Foreign Currency for Visa Bonds/Refundable Security Deposit for Visa Purposes”*

Through this circular, the Bangladesh Bank is allowing Authorized Dealers (“ADs”) to undertake outward remittances for visa bonds or refundable security deposits required by embassies, high commissions, or other competent authorities as a precondition for visa issuance. ADs may remit such amounts directly on behalf of applicants or issue/reload international or virtual cards with the required amounts, ensuring that the funds are used solely for visa-related purposes.

The bond or deposit must be repatriated to Bangladesh upon release, with ADs responsible for verifying applicants’ passports and official demand letters, maintaining appropriate records, and monitoring refunds. These facilities are also available for transactions through export retention quota and resident foreign currency deposit accounts, subject to the applicable regulations. All transactions must comply with reporting requirements, tax regulations, and anti-money laundering/countering the financing of terrorism standards, and ADs must conduct regular monitoring of the bond release/refund to ensure the timely repatriation of funds.

*FEPD-1 Circular No. 10 of 2026 dated 11 May 2026 issued by the Foreign Exchange Policy Department-1 on “All-in-Cost Ceiling for Short-Term Permissible Trade Finance in Foreign Exchange”*

The Bangladesh Bank has revised the all-in-cost ceiling for short-term permissible trade finance in foreign exchange, setting the maximum at benchmark rates (such as SOFR or Euribor) plus 3.00% per annum. This ceiling applies to short-term import trade finance, as well as the discounting of usance export bills and early payments under open account credit terms, as referenced in FE Circular No. 31 dated 31 July 2025.

All other instructions remain unchanged. Authorized dealers are directed to implement the revised ceiling with immediate effect and notify their clients accordingly.

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# LAOS



## Corporate

### *Decision No. 1338 dated 13 May 2026 issued by the Ministry of Industry and Commerce (“MOIC”) on “Fines and Other Penalties Against Violators of the Enterprise Law”*

This decision, which enters into effect on 27 June 2026, provides guidelines for the competent authorities on the imposition of disciplinary measures and administrative fines and the implementation of administrative penalties against violators of the Enterprise Law and its related regulations.

While the Enterprise Law sets out various obligations, it only provides a general sanctions framework for violations. Prior to this decision, the authorities generally relied on internal guidelines and administrative discretion when determining the appropriate penalties for non-compliance. This decision supplements the Enterprise Law by introducing a detailed enforcement framework, including specific fines and disciplinary measures applicable to particular violations.

The decision specifies 17 categories of violations, ranging from enterprise registration non-compliance to corporate governance issues and failure to maintain mandatory corporate records.

In addition to administrative fines, the competent authorities may impose one or more of the following disciplinary measures, depending on the nature, severity, and frequency of the violation:

- Warning
- Educational measures
- Issuance of a memorandum of compliance
- Suspension of the violator’s enterprise registration certificate (“**ERC**”)

More serious or repeated violations may result in stricter enforcement measures and higher fines.

A summary of violations and penalties is outlined in the table below.

NO.	VIOLATION	FINES
1	Operating a business without an ERC	First offense: A fine of LAK5 million Second offense: A fine of LAK10 million Third/subsequent offenses: A fine of LAK20 million per violation

No.	VIOLATION	FINES
2	Operating a business without the required business license	The relevant authority responsible for the business activity will be notified to take action in accordance with the applicable regulations.
3	Allowing another person or entity to use the ERC	First offense: A fine of LAK5 million Second offense: A fine of LAK20 million Third/subsequent offense: A fine of LAK50 million per violation
4	Producing or using a falsified ERC	A fine of LAK20 million per violation
5	Providing false information or information that is not in compliance with the law	A fine of LAK10 million per violation In cases where the entity owner, shareholders, or partners listed in the ERC are not the actual investors or beneficial owners, the fine is LAK20 million per violation.
6	Amending information in the ERC without notifying the competent authorities	A fine of LAK2 million for each violation A public company that no longer meets the required conditions, ceases fundraising activities, or is delisted from the securities exchange without notifying the competent authority to change its company type will be fined LAK5 million per violation.
7	Dissolving a company without notifying the competent authorities	A fine of 1 million per violation
8	Failing to display a company sign	First offense: Administrative measures Second offense: A fine of LAK1 million per violation Third/subsequent offense: A fine of LAK2 million per violation
9	Failing to remove the company sign after dissolution	First offense: Administrative measures Second offense: A fine of LAK1 million per violation Third/subsequent offense: A fine of LAK2 million per violation
10	Using an ERC after its suspension	A fine of LAK2 million per violation

No.	VIOLATION	FINES
11	Failing to maintain articles of association (applies to partnerships and companies)	A fine of LAK1 million per violation
12	Failing to convene an ordinary shareholders' meeting at least once a year (applies to limited and public companies)	A fine of LAK1 million per violation
13	Failing to issue share certificates to shareholders	A fine of LAK1 million per violation
14	Failing to maintain a shareholders' register (applies to limited companies)	A fine of LAK1 million per violation
15	Failing to maintain a directors' register (applies to limited and public companies)	A fine of LAK1 million per violation
16	Failing to appoint a board of directors and an auditor (applies to limited companies with assets exceeding LAK50 billion)	A fine of LAK1 million per violation
17	Failing to maintain the statutory reserve fund (applies to limited companies)	A fine of LAK1 million per violation

### Review and inspection procedures

A review by the authorities of violations relating to the unauthorized use of an ERC, the production or use of a falsified ERC, and the submission of false or non-compliant information for enterprise registration, amendment, or dissolution, is initiated upon receipt of a complaint or request from any person, legal entity, or relevant organization.

A review for violations involving the failure to notify the authorities of changes to information recorded in an ERC within 30 days of such change, or the use of an ERC during its suspension period, is initiated upon receiving an application for amendment, dissolution, or related supporting documents. In such cases, the authorities may not require additional documents solely for the purpose of reviewing the violation.

All other violations are subject to the inspection procedures under Article 215 of the Enterprise Law.

This decision also permits the authorities to conduct an internal inspection where it discovers irregularities in the issuance of official documents or the handling of enterprise registration,

amendment, or dissolution applications. Violating officials may be subject to disciplinary measures, including being removed from office.

## Commerce

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### *Decision No. 1339 dated 13 May 2026 issued by the MOIC on “Liquefied Petroleum Gas”*

This decision, which enters into effect on 27 June 2026, sets out the requirements, standards, and procedures applicable to entities engaged in the importation and distribution of liquefied petroleum gas (“LPG”) in the Lao PDR, including the management and supervision of such activities by the competent authorities. This decision replaces the 2001 version.

Key changes include the introduction of minimum registered capital requirements, more stringent qualification and operational requirements, specified license validity periods, government-regulated pricing measures, and additional compliance obligations for existing importers and distributors.

Some of the key changes are outlined below.

#### **LPG importation business**

To apply for a business license to import LPG, applicants must satisfy the following requirements and submit supporting documents evidencing compliance with them:

- Be a duly registered entity
- Have minimum registered capital of:
  - LAK3 billion for Lao-owned entities.
  - LAK5 billion for Lao-foreign joint ventures, provided that the Lao shareholders hold at least 30% of the shares.
  - LAK10 billion for wholly foreign-owned entities.
- Maintain a bank balance equivalent to at least 30% of the registered capital in an account opened with a commercial bank in the Lao PDR
- Have an LPG storage facility with a minimum storage capacity of 1,500 kilograms, constructed in accordance with the standards set out by the public works and transport authority
- Have a registered trademark
- Use LPG cylinders that comply with the standards prescribed by the Department of Internal Trade of the MOIC, including requirements relating to cylinder color, valves, and Lao-language labeling
- Use LPG transport vehicles that comply with the standards prescribed by the public works and transport authority and are approved by the relevant public works and transport authority
- Have an agreement signed with an offshore LPG supplier

#### **LPG distribution business**

To apply for a business license to distribute LPG in the Lao PDR, applicants must satisfy the following requirements and submit supporting documents evidencing compliance with them:

- Be a duly registered entity
- Have minimum registered capital of:
  - LAK300 million for Lao-owned entities.
  - LAK500 million for Lao-foreign joint ventures, provided that Lao shareholders hold at least 30% of the shares.
  - LAK1 billion for wholly foreign-owned entities.
- Maintain a bank balance equivalent to at least 30% of the registered capital in an account opened with a commercial bank in the Lao PDR
- Have an LPG distribution outlet that meets the following requirements:
  - Be located at least six meters from surrounding buildings and have a maximum LPG storage capacity of 1,500 kilograms per outlet.
  - Where the outlet is located less than six meters from surrounding buildings, the maximum LPG storage capacity must not exceed 700 kilograms per outlet, and consent must be obtained from the owners of the surrounding buildings.
  - Be equipped with fire prevention and protection systems, including fire-fighting equipment, fire alarms, and gas leak detection systems, in accordance with the fire safety standards prescribed by the public security authorities.
- Use LPG transport vehicles that comply with applicable safety requirements
- Maintain third-party fire insurance coverage
- Have a distributor agreement signed with LPG importers

### **Application review and license validity**

Upon receipt of a complete application for LPG importation or distribution, the industry and commerce authority will review the application within 10 working days. If the application is rejected, the authority must provide the applicant with a written notice specifying the reasons for the rejection.

If the application is incomplete or contains incorrect information, the authority will notify the applicant within five working days from the date of receipt of the application.

The LPG importation business license is valid for three years, while the LPG distribution business license is valid for two years. Both licenses may be renewed, provided that the renewal application is submitted at least 30 days prior to the expiry date of the relevant license.

### **LPG pricing**

The Government of the Lao PDR is responsible for establishing and periodically revising the standard LPG distribution price, taking into account fluctuations in international and regional market prices.

The MOIC is responsible for notifying the Ministry of Finance of the applicable LPG price for the purposes of tax, duty, and other state revenue collection, as well as publishing such price to the public. LPG importers and distributors must comply with the LPG price as announced and updated by the MOIC from time to time.

## **Compliance of existing importer and distributor**

The Department of Internal Trade, in coordination with the relevant authorities, must notify existing LPG importers and distributors that they must comply with the requirements of this decision within two years from the date of receipt of such notice.

LPG importers and distributors operating in special economic zones and specific economic zones must submit copies of their enterprise registration certificate, business license, certificate of compliance for the LPG storage facility, and any other supporting documents required by the industry and commerce authority within 90 days from the effective date of this decision.

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# MYANMAR

## Corporate Compliance

*“Criteria for Company Names” dated 18 May 2026 issued by the Directorate of Investment and Company Administration (the “DICA”)*

Per the provisions of Sections 25 to 27 of the Myanmar Companies Law, the DICA reviews and approves the company names proposed by applicants registering companies in Myanmar. Many applications are delayed because the company name proposed does not meet the criteria prescribed by the DICA.

Thus, to expedite the company registration process, the DICA has published its criteria for company names, as follows:

- Restriction on the use of identical or confusingly similar names:
  - A proposed company name that is identical or substantially similar to the name of an existing company will not be approved.  
*For example: Existing company name: “Global 1 Co., Ltd.”; Proposed company name: “Global One Co., Ltd.”*
  - A proposed company name that simply adds a term such as “Group”, “Holding”, “International”, “Myanmar”, or “Family” to an existing company name will not be approved.
  - A proposed company name that has the same phonetic pronunciation, but only a minor spelling variation to an existing company name will not be approved. *For example: Existing company name: “Ayeyarwady Trading Co., Ltd.”; Proposed company name: “Irrawaddy Trading Co., Ltd.”*
  - A proposed company name that merely transposes the word order of an existing company name will not be approved.  
*For example: Existing company name: “Mandalay City Trading Co., Ltd.”; Proposed company name: “City Mandalay Trading Co., Ltd.”*
  - A proposed company name that falsely implies a government affiliation, creates confusion with business associations, or falsely implies a bilateral treaty relationship through the combination of two country names will not be approved.  
*For example: “Myanmar Thai” or “Myanmar China”.*
  - A proposed company name that uses an identical brand name, but specifies a different business nature will not be approved as it misleads the public into believing that the companies are affiliates of the same group.  
*For example: Existing company name: “Ocean Construction Co., Ltd.”*

*Proposed company name: “Ocean Trading Co., Ltd.”*

- A proposed company name that concurrently uses a brand name alongside its abbreviation, or a brand name alongside the abbreviation of its business activity, will not be approved.

*For example:*

*(1) Company name that may be approved: “Zay Ya Co., Ltd.”*

*Company name that will not be approved: “Zay Ya (ZY) Co., Ltd.*

*(2) Company name that may be approved: “Zay Ya Travels & Tours Co., Ltd.”*

*Company name that will not be approved: “Zay Ya T&T Co., Ltd.”*

- Prohibited or restricted terms:
  - Names containing the terms that imply a direct connection with the State, such as “State Government”, “State”, “Central Bank,” “Union Government,” “President,” “Ministry,” “Government of Myanmar,” “Ministry of Myanmar,” “Directorate,” “Department,” “Office,” or any terms suggesting a proposal or endorsement by an official organization, are prohibited unless prior official authorization is obtained.
  - Names that give the impression of being associated with an international organization, such as the UN, WHO, or ASEAN.
  - Names that are culturally or religiously sensitive, or include offensive wording, or could incite religious or racial conflict.
  - Political terms.
  - Other terms that are deemed inappropriate by the Registrar.

As per Section 26 of the Myanmar Companies Law, the Registrar has the authority to require a change of a company name already approved if the Registrar subsequently determines that the name is not appropriate.

To avoid unnecessary delays during company registration with the DICA, applicants should be sure to take the above criteria into consideration when conducting a name availability check via the MyCO registration system.

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