



The “New” Frontiers: Cambodia, Laos & Myanmar CanCham - Vietnam

20 March 2013, Hanoi
22 March 2013, HCMC

1

Introduction to DFDL

2

Key Issues in SEA

3

Key Investment Issues

4

Planning your Investment

5

Conclusive Remarks

1

Introduction to DFDL

2

Key Issues in SEA

3

Key Investment Issues

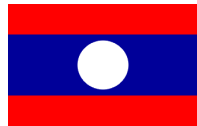
4

Planning your Investment

5

Conclusive Remarks

“Pioneers in Frontier Markets”



Laos
1994 - 19 years



Cambodia
1995 - 18 years

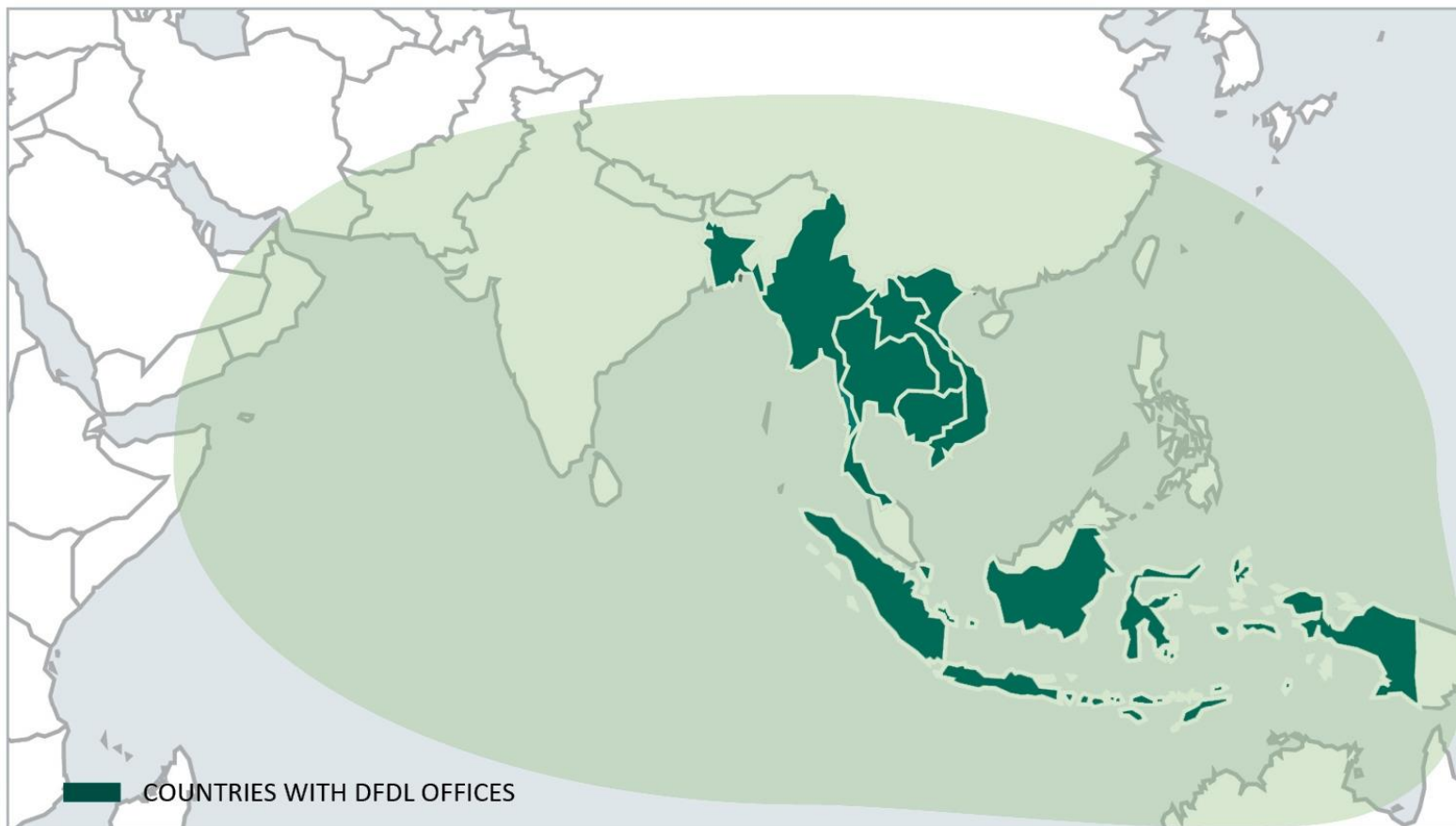


Myanmar
1996 - 17 years

In 1994, a foundation with a unique vision:

- To build an integrated international standard law and tax firm,
- With in-depth knowledge of the Mekong Region (now Southeast Asia),
- While providing specialized and personalized advisory services to the international business community.

Our Strategy: Not “Go Where our Clients Go”, BUT “Go BEFORE you Go”.



BANGLADESH | CAMBODIA | INDONESIA* | LAO PDR | MYANMAR | SINGAPORE | THAILAND | VIETNAM

*** In exclusive association with Mataram Partners**

DFDL PEOPLE

- 250 staff
- 120 + advisers
- 10 regional partners
- 5 country partners

INTERNATIONAL PRESENCE

- Established in 1994 in the Mekong region
- 8 countries:
 - Bangladesh
 - Cambodia,
 - Indonesia*
 - Myanmar
 - Laos
 - Singapore
 - Thailand and
 - Vietnam
- 11 offices:
 - Dhaka, Phnom Penh,
 - Jakarta*, Yangon, Vientiane,
 - Bangkok, Koh Samui, Phuket
 - Hanoi, Ho Chi Minh City,
 - Singapore

CAPABILITIES

- Full-service Legal & Tax services firm
- Extensive experience of local business cultures
- Advisers with international experience
- Core expertises:
 - Banking & Finance
 - Energy, Mining & Infrastructure
 - Real Estate
 - M&A
 - Corporate & Commercial
 - Tax & Customs
 - Senior local and international laws capacities

* In exclusive association with Mataram Partners

Regional experience



Experience



Legend

- Clean Energy
- Energy
- Hospital
- Hydropower
- Mining
- Oil & Gas
- Telecommunications
- Water

Projects within a country are listed north to south.

EMI Awards

- 2011 Project Finance Deal of the Year, ALB**
Awarded project finance deal of the year for the USD2.7 billion Hongsa Mine-Mouth Power Project, which was the largest Thai project financing syndication and first thermal power project in Lao PDR
- 2011 IPP Financial Advisers Award SE Asia Deal of the Year, ALB**
Awarded IPP Financial Advisers Southeast Asia deal of the year for the Hongsa Mine-Mouth Power Project by Asian Legal Business
- 2011 ASIAN-MENA COUNSEL Deals Of The Year**
Mentioned in Deals of the Year for advising the Vietnam Ministry of Industry and Trade on the JAKS Resources Berhad's Malaysia-China-Vietnam Energy Project, which had a deal value of approximately USD2 billion and this was one of the largest cross-border energy project
- 2009 ASIAN-MENA COUNSEL Deals Of The Year**
Mentioned in Deals of the year for advising on China Minmetals' acquisition of the majority of assets of OZ Minerals, including 90% equity interest in Lane Xang Minerals Limited
- 2009 Asia Deals of the Year, Telecom Finance Magazine**
Mentioned in Asia Deals of the Year for advising on Royal Group's buyout of Millicom's shares in CamGSM voted as the "Asia Deal of the Year"
- 2008 Deals of the Year, ASIAN-MENA COUNSEL**
Mentioned for DFDL's role in the USD650 million Theun Hinboun Hydropower expansion project in Laos
- 2007 ASIAN-MENA COUNSEL Deals Of The Year**
Mentioned in the 2007 deals of the year for advising on the Singapore Tech Tel Acquisition, which was the first major multi-jurisdictional telecommunications sale in the Mekong region (USD200 million)



2013 Myanmar Law Firm of the Year (IFLR, 2013)

2013 Asia Mena Counsel

Awarded Project Finance Deal of the Year
(Xayaburi Hydro Power Project)

2013 IFLR

Awarded National Firm of the Year for Myanmar

2013 The Legal 500

Ranked Tier 1 for Tax in Vietnam

2012 Chambers & Partners

Ranked Tier 1 for General Business Law in Myanmar
Ranked Tier 1 for General Business Law in Cambodia
Ranked Tier 1 for General Business Law in Lao

2012 The Legal 500

Ranked Tier 1 for Tax in Vietnam

2011 Leading PE & VC law firm

Awarded leading Private Equity and Venture Capital law firm in a survey by Asian Legal Business

2011 Project Finance Deal of the Year, ALB

Awarded project finance deal of the year for the USD 2.7B Hongsa Mine-Mouth Power Project, which was the largest Thai project financing syndication and first thermal power project in Lao PDR

2011 IPP Financial Advisers Award SE Asia Deal of the Year, ALB

Awarded IPP Financial Advisers South East Asia deal of the year for the Hongsa Mine-Mouth Power Project by Asian Legal Business

2011 Corporate Tax Law firm of the Year, Vietnam, Lawyer Monthly

Awarded Corporate Tax Law firm of the Year in Vietnam

2011 ASIAN-MENA Counsel Deals of the Year

Mentioned in Deals of the Year for advising the Vietnam Ministry of Industry and Trade on the JAKS Resources Berhad's Malaysia-China-Vietnam energy Project (value USD 2B)

2011 Tax Law firm of the Year, Vietnam, Finance Monthly

Awarded Tax Law firm of the Year in Vietnam

2011 Hottest Hundred Lawyers of 2011

David Doran mentioned as one of the hottest hundred lawyers of 2011 by Asian Legal Business

2011 Chambers & Partners

Ranked Tier 1 for General Business Law in Myanmar
Ranked Tier 1 for General Business Law in Cambodia
Ranked Tier 1 for General Business Law in Lao

2011 The Legal 500

Ranked Tier 1 for Tax in Vietnam

2010 Asian Legal Business Hot 100, The Strategists

DFDL in the Asian Legal Business Hot 100 with the caption "An ASEAN heavyweight in the making?"



CHAMBERS ASIA 2013, 2012, 2011, 2010

Tier 1 for General Business Law in Myanmar
Tier 1 for General Business Law in Cambodia
Tier 1 for General Business Law in Lao



IFLR 2013

Tier 1 for Financial & Corporate in Myanmar



The Legal 500 2013, 2012, 2011, 2010

Tier 1 for Tax in Vietnam

1

Introduction to DFDL

2

Key Issues in SEA

3




Key Investment Issues

4




Planning your Investment

5

Conclusive Remarks

	POP12 (Mil)	GDP USD Per cap (2012)	GDP USD PPP (2012)	GDP Growth 2011	GDP Growth 2012	GDP Growth 2013
 Cambodia	15.3	934	2,399	7.1	6.5	6.7
Indonesia	241	3,660	4,958	6.5	6.0	6.3
 Laos	6.4	1,454	3,005	8.0	8.3	8.1
 Myanmar	63.7	849	1,401	5.5	6.2	6.3
Thailand	64	5,848	10,023	0.05	5.6	5.9
Vietnam	89	1,523	3,545	5.9	5.1	5.9

Source: <http://www.imf.org/external/pubs/ft/weo/2012/02/weodata/download.aspx>

	SYSTEM	GOVT	POLITICS	LAW	
	Cambodia	MARKET: Small state	Dem PM & Pres	Multi party Monarchy	<ul style="list-style-type: none"> – Civil – Common Law Influence
	Indonesia	MARKET: Large state	Dem; PM	Multi party	<ul style="list-style-type: none"> – Civil (Dutch-Roman) – Islamic – Customary
	Lao	PLAN: Large state	Soc: PM	1 party	Socialist/Civil
	Myanmar	PLAN: Large state	Dem (2010) Pres; Fed	Multi party	Common Law
	Thailand	MARKET: Large state	Dem	Multi party (Monarchy)	– Civil
	Vietnam	PLAN : Large state	Soc	1 party	– Socialist/Civil



ISSUE
1

Ease of Doing Business

Ease of Doing Business (Regional)



2012-2013 Ease of Doing Business - Global

Jurisdiction	Regional Starting a Business (24)	Global Starting a Business (185)	2013 Regional Ease of Doing Business (24)	2013 Global Ease of Doing Business (185)	2012 Global Ease of Doing Business (183)	Change in Rank
Japan	n/a	114	n/a	24	20	↓ -4
Singapore	1	4	1	1	1	= 0
Thailand	11	85	5	18	17	↓ -1
Vietnam	14	108	14	99	98	↓ -1
Indonesia	23	166	19	128	129	↑ 1
 Cambodia	24	175	20	133	138	↑ 5
 Lao PDR	10	81	23	163	165	↑ 2



(Myanmar not ranked)

Source: <http://www.doingbusiness.org/rankings>

ISSUE
2

Economic & Investment Freedom

Economic Freedom 2012: Overall

LEVEL OF ECONOMIC FREEDOM

100-80

79.9-70

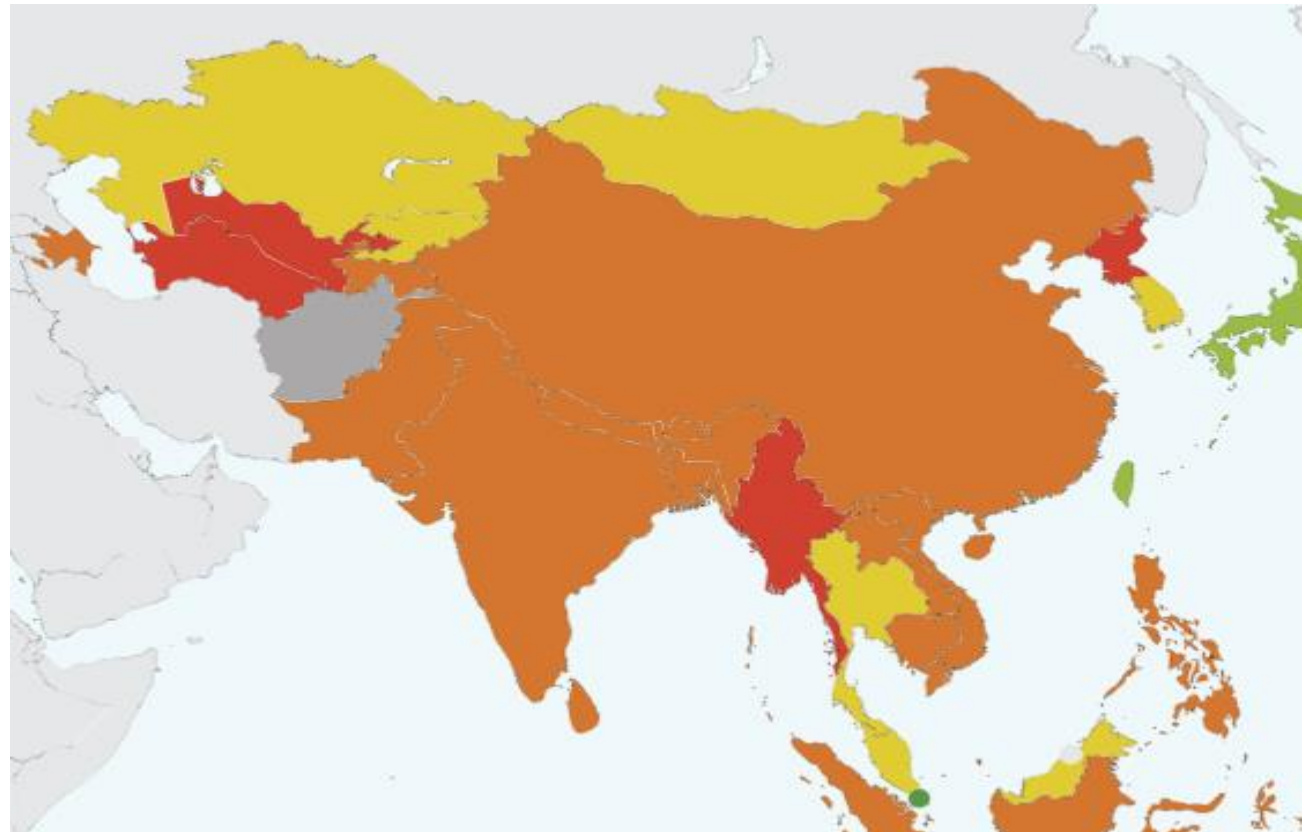
69.9-60

59.9-50

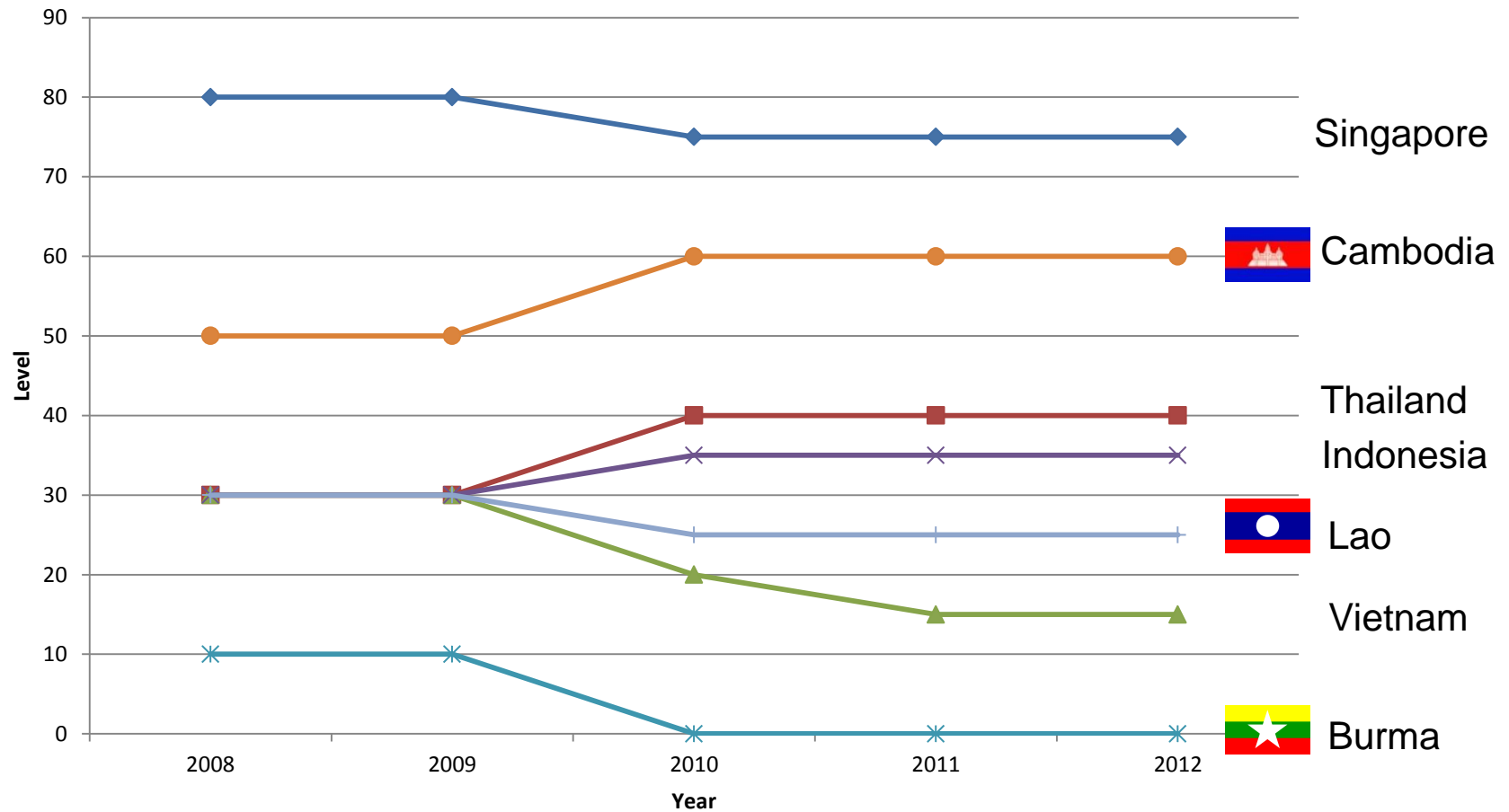
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N/A

- Right of property ownership;
- Freedom of movement for labor, capital, and goods;
- Absence of coercion or constraint of economic liberty for citizens to protect and maintain liberty itself.



Investment Freedom 2008-2012: Overview



1

Introduction to DFDL

2

Key Issues in SEA

3

Key Investment Issues

4

Planning your Investment

5

Conclusive Remarks

ISSUE
1

Investment Framework



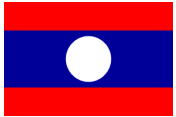
CAMBODIA

- Accession to WTO in 2005-2006 = 50 New Laws & Regulations
- Process is Permissive
- Benefits: Tax incentives and Guarantees
- Few restrictions (National Security / Land)
- Process: Reasonably fast
- One Stop Shop: But reality not (3-4 stops)
- Foreign and Domestic under same law



LAO

- Lao PDR applied to WTO for membership in **1997**. Finally received admitted as a member in **February 2013**.
- **For goods**, Laos is committing “bound” tariffs (effectively maximum rates) that average 18.8% for all products — 19.3% on average for agricultural products, and 18.7% for the rest.
- **In services**, Laos has made market access commitments in 10 sectors, covering 79 sub-sectors. Note that in some instances, Lao is already more liberal than the commitments covered. Also, note that in certain sectors, Laos has been granted concessions on the basis of it being a LDC. E.g., Laos is unrestricted on the protections it can apply to the retail sector for 7 years.



LAO

- Process mandatory for Concessionary companies
- Not mandatory for Non-concessionary companies (new change)
- Benefit: Tax incentives and Guarantees
- Some restrictions (Local Equity Sectors/ Land/ National Security)
- Process: Slow
- Need for separate licenses
- Foreign and Domestic under same law



- Myanmar's New Foreign Investment Law (FIL) was passed on November 2, 2012. It replaces the MFIL of 1988.
- **Background:** Optional except in the case of a) major infrastructure deals 2) manufacturing and 3) State Owned Enterprise Law of 1989 (SOE Law). Where the FIL is optional, investors use the FIL is to get some benefits, like the tax holiday.
- **Key activities eligible for an MIC Permit** As with the 1988 Foreign Investment Law, the MFI Law identifies certain key activities which may secure from the MIC an investment permit. These include a number of new activities, including as relate to “import substitution” and the “development of a modern industry”.



MYANMAR

Foreign Investment Rules

- 100% foreign ownership allowed unless provides otherwise.
- Some restricted sectors limited to 80% - Rules Still Unclear
 - Food industry, brewery, large scale mineral production, construction, tourism, etc.
- Very few sectors off limits
- Some special limitations
- Transfer of Shares Allowed
- Minimum investment



MYANMAR

FIL – Additional Basic Provisions

- Real Estate Leasing, 1987 Law:
 - Old law 35+ 15+ 15 by notification
 - New law depending on the type of enterprise and investment amount the MIC would allow investors to enter into a lease up to 50 years + 10 + 10 (negotiable under special circumstances) Government lessor: Land and building; private party lessor: land only.
- Tax holiday raised to five years. Accelerated depreciation and customs exemptions are the same as the old law with added incentives

ISSUE
2

Business Forms



Chart of Main Company Forms



Company Forms	Cambodia	Laos	Myanmar	Thailand	Vietnam	Indonesia
LLC (1)	Yes	Yes "Sole"	No	No	Yes	No
LLC (2 +)	Yes 2 to 30	Yes, up to 30	2- 50 SH Foreign, Myanmar, Special	Yes 3 up	Yes – 2 to 50	Yes
Branch	Yes	Yes	Yes	Yes	Yes	No
Rep Office	Yes	Yes	Yes	Yes	Yes	Yes

ISSUE
3

Tax

Jurisdiction	CIT rate	VAT/Sales Tax	WHT Dividends	WHT Interest	WHT Services	WHT Royalties	Capital Gains Tax
Thailand	30%	7%	10%/0%	15%	15%	15%	15% to non-residents
Vietnam	25%	10%	0%	10%	5%	10%	25%
Indonesia	25%	10%	20%	20%	20%	20%	5% of transaction value
 Cambodia	20%	10%	14%	14%	14%	14%	New tax on shares transfer
 Lao PDR	24%	10%	10%	10%	7%	5%	↑10%
 Myanmar	25% (35% Branch)	5% (5-30)	0%	15%	3.5%	20%	10-40%

1

Introduction to DFDL

2

Key Issues in SEA

3

Key Investment Issues

4

Planning your Investment

5

Conclusive Remarks

Step 1	Evaluation of your potential local partner
Step 2	Consider other options
Step 3	Permissible control structures
Step 4	Control over land assets and licenses
Step 5	Can I know enough about my potential partners business to buy into it? Is it possible to conduct a DD on your local partner?
Step 6	Equity financing and dilution
Step 7	Debt financing
Step 8	MIC Application and/ or Permit to Trade

1

Introduction to DFDL

2

Key Issues in SEA

3




Key Investment Issues

4

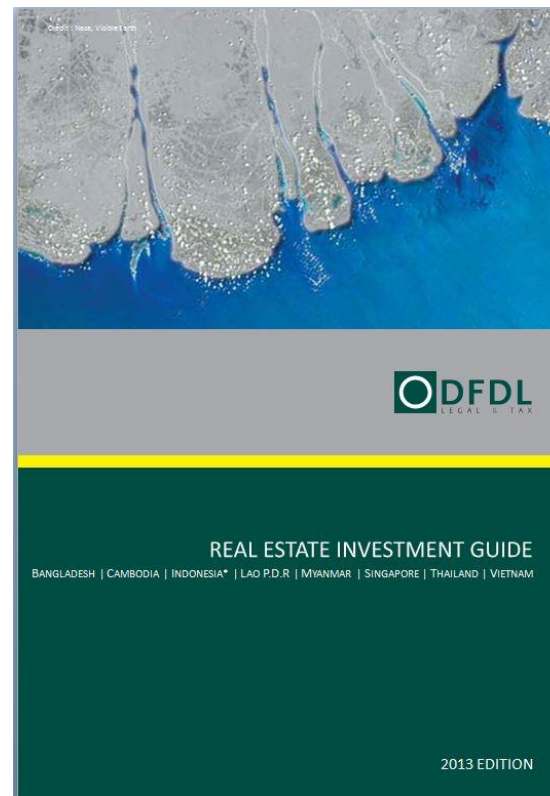
Planning your Investment

5

Conclusive Remarks

Country	Attractive Sectors	Success stories
Cambodia 	Manufacturing, Tourism, Power, Mining, Telecommunication, Financial Sector	ANZ, SCA/ Vinci, Tiger Beer, Vietel, Ciputra, ACLEDA, Siam Cement, etc.
Lao PDR 	Power, Mining, Manufacturing, Financial Sector	Phu Bia Mine, Sepon Mine, Nam Theun 2 Hydro Dam, Hong Sa Coal Mine & Power Plant, ANZ, etc.
Myanmar 	Infrastructure, Power, Mining, Oil & Gas, Tourism, Real Estate	Chevron, Total & many more to come...

DFDL's latest publications



Thank you



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Since 1994