



TOP MOST COMMON MISTAKES IN CORPORATE COMPLIANCE AND THE BENEFITS OF OUTSOURCING CORPORATE SECRETARIAL SERVICES

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When an entity is registered and incorporated in any jurisdiction, it becomes subject to certain laws and statutory requirements.

In Myanmar, every incorporated entity — whether a foreign-owned company or a locally-owned one — is governed by the Myanmar Companies Law (“MCL”). While the incorporation process has been simplified through online submission of applications, the MCL still prescribes specific documentation and compliance requirements that companies must meet.

In this article, we outline the most common mistakes in corporate compliance and explain the benefits of having a corporate secretary in place.

What are top most common mistakes in corporate compliance?

1. Underestimating the importance of corporate documents

Many companies overlook the significance of their company constitution, opting for the model template issued by the authorities simply because it is faster and less complicated during the incorporation process. However, this is often done without reviewing the model constitution against shareholder agreements or joint venture arrangements, which can lead to inconsistencies and disputes.

2. Poor or non-existent record-keeping

A large number of companies fail to maintain proper records of board meetings, shareholder meetings, or corporate changes. This lack of a corporate paper trail can create significant legal and operational risks and may raise red flags during due diligence if the company seeks to sell its business or attract new investors.

3. Confusing between MyCO filings and corporate approvals

Many businesses mistakenly believe that filing an application on the MyCO system is enough to make a corporate change legally effective. While this may meet the procedural requirement of notifying the government, it does not replace the legal need for valid corporate approvals (e.g., board or shareholder resolutions) and proper updates to the company’s internal registers.

4. Neglecting the company’s internal registers

Maintaining of a company’s internal registers — including those for shares, directors, and other key information — are often ignored because they are not required to be submitted to the authorities. However, it is one of the legal requirements under the MCL. Additionally, certain transactions (such as share transfers) take effect on the date they are entered into the company’s register, not the date they are filed on MyCO.

The Benefits of Outsourcing Corporate Secretarial Services

Staying compliant under the Myanmar Companies Law can be complex and time-consuming. Outsourcing corporate secretarial services offers clear advantages:

- **Expert guidance** – Stay compliant with the latest regulations.
- **Time savings** – Focus on running your business, not on filings and paperwork.
- **Accuracy and timeliness** – Avoid penalties with correct, on-time submissions.
- **Proper records** – Maintain internal registers for smooth transactions and due diligence.
- **Cost efficiency** – Professional support without the expense of a full-time hire.
- **Reduced risk** – Minimize compliance errors and protect your legal standing.

Corporate compliance is more than a box-ticking exercise — it is the foundation of good governance and business credibility. By addressing these common mistakes and leveraging professional support, companies can operate confidently, safeguard their reputation, and be well-prepared for growth opportunities.

Want to learn more? Reach out to us today — the SCLV team is here to assist you!