

## Regulation on Offshore Remittance Licenses

On 15<sup>th</sup> November 2019, the Central bank of Myanmar (“**CBM**”) issued its Notification No. 21/2019 re: Regulation for Offshore Remittance Licenses under the Foreign Exchange Management Law to set out the requirements for application and granting of Offshore Remittance License (“**ORL**”).

To obtain an ORL, an applicant must submit to the CBM an application and the following supporting documents:

- (1) a Certificate of Incorporation under the Myanmar Companies Law 2017;
- (2) a Tax Clearance Certificate and documents regarding its official source of income;
- (3) an undertaking letter confirming that the applicant and its shareholders are compliant with applicable laws of Myanmar;
- (4) a name of a compliance officer who complies with the applicable laws and his recommendation letter;
- (5) certificates showing the completion of trainings related to the implementation of the anti-money laundering law and the anti-terrorism law organized by the Financial Intelligence Unit, the Myanmar Police Force, the Special Investigation Department, the CBM and the Rule of Law Centers;
- (6) a business plan with a schedule of offshore remittances from its branch office or agent abroad using an IT system or a mobile banking system;
- (7) a schedule of local distribution of funds in Myanmar through mobile banking;
- (8) a police clearance letter for the compliance officer; and
- (9) a customer complaint program.

The CBM will take around 90 days to approve or reject the application. If the application is approved, the applicant must pay the license fee of MMK1 million within 10 days after receiving a notice from the CBM. An ORL is valid for 3 years and it can be renewed for a renewal fee of MMK1 million.

An ORL holder must comply with the following operation terms and conditions:

- (1) open (i) an escrow account with a bank holding an authorized dealer license issued by the

CBM and deposit MMK100 million in such escrow account as a security deposit, and (ii) one or more specific bank accounts for revolving funds only for its offshore remittance;

- (2) conduct only inward and outward remittance business;
- (3) operate business with Myanmar Kyats for local outward;
- (4) operate business at permitted locations;
- (5) operate business through authorized dealer banks for Back-end Transactions;
- (6) file bank statements for any offshore remittances with the CBM on a monthly basis;
- (7) keep detailed information of transferors and transferees;
- (8) file other required documents with the CBM.



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