

The Anti-Money Laundering Law
(The Pyidaungsu Hluttaw Law No.11/ 2014)
The Waxing Day of Taboung, 1375 M.E.
(14th, march, 2014)

The Pyidangsu Hluttaw hereby enacts the following Law.

Chapter I

Title, Jurisdiction and Definition

1. This Law shall be called **the Anti-Money Laundering Law**.
2. This Law shall have jurisdiction on any person who commits any offence under this Law within the limits of the Union of Myanmar, or on board a vessel, an aircraft, and any motor vehicle which are registered under it existing law of Myanmar, or an Myanmar citizen or any person residing permanently in the Union of Myanmar who commits the said offence beyond the limits of the country.
3. The following expressions contained in this Law shall have the meanings given hereunder:
 - (a) **Central Board** means the Central Board of Anti Money Laundering formed under this Law.
 - (b) **“Financial Intelligence Unit”** means the unit formed under this Law to investigate and take action on financial matters related to this law.
 - (c) **“Scrutiny Unit”** means the body or organization formed and by assigned the financial intelligence unit.
 - (d) **“Investigation Body”** means the body formed and assigned by the Central Board under this Law.
 - (e) **“Reporting organization”** means banks and financial institutions, non financial enterprises and professions stipulated by this Law to report. In this expression, it also includes organization which is assigned to report, by notification from time to time by the Central Control Board.
 - (f) **“Supervisory Authority”** means the authority designed by the notification of Central Control Board with supervisory responsibility on the Reporting organizations to ensure compliance with the requirements under this Law.
 - (g) **“Banks and financial institutions”** mean banks and financial institutions established by the Myanmar Financial Institutions Law and other relevant laws. This expression includes commercial banks or development banks, credit societies, finance companies, securities trading companies, money

changing counter, Microfinance business, insurance companies and other institutions that conduct one or more of the following activities listed below as a business for or on behalf of a customer:

- (i) private banking and acceptance of deposits and repayable funds from the public, who transact with the bank;
 - (ii) subsidizing for commercial transactions, including forfeiting, lending, including consumer credit and mortgage credit;
 - (iii) lending money, financial right expect arrangements relating to consumer services;
 - (iv) the transfer of money or value;
 - (v) issuing and managing, credit cards, debit cards, travellers' cheques, payment orders, bankers' drafts and electronic means;
 - (vi) issuing financial guarantees and promissory notes;
 - (vii) trading in the following financial instruments:
 - (aa) money market instruments including cheques, payment orders, certificates of deposit and derivatives instruments; foreign exchange; interest rate and price index instruments; transferable securities;
 - (bb) commodity futures goods trading;
 - (viii) participation in issuing securities and the provision of financial services related to such issues;
 - (ix) individual and collective management;
 - (x) keeping the safe deposit box for safty and administration of cash or liquid securities on behalf of other persons;
 - (xi) managing or administering, investing the funds or money on behalf of other persons;
 - (xii) placement of life insurance, life general insurance and other investment-related insurance, including insurance intermediation by agent and;
 - (xiii) money changing and currency exchange.
- (h) **Quasi Bank** means a bank that has business incorporated legally and has the licens but has no physical existence and not affiliated with a financial group under effective and efficient supervision.
- (i) **Anyone, an individual or person** includes a company, an association, or an organization or a group of persons that are formed legally or not;

- (j) **“Beneficial owner”** means a person who principally owns or controls an intermediary or delegates other person on his behalf. This expression also includes a person who controls effectively the company or the planned activity;
- (k) **“Intermediary”** includes any of the following:
- (1) the person who opens the bank account or makes a promise;
 - (2) a signatory to the remittance or account;
 - (3) the assignee, the assignor, the person who has the right or responsibility to remit money;
 - (4) the person has controlling authority to remit the money or account;
 - (5) the person who attempts to deal with any matter mentioned from clause (1) to clause (4);
- (l) **“Person who is influential in internal and external arena”** means the person who is prominent and entrusted with public activities at local or abroad, and his family members or the person who is closely cooperated with him;
- (m) **“Persons who are influential in international arena”** means the director, the deputy director, the member or senior member of the board of directors who undertakes functions of an international organization and the member with equivalent position in the similar organizations or the person who is entrusted with such activity and his family members or the persons who closely cooperate with him;
- (n) **Money Laundering** means the commission of any of the following:
- (i) conversion or transfer of money and property, knowing or having reason to know that such money and property are the proceeds of crime, for the purpose of disguising or concealing the illicit origin of the money or property or of helping, before or after commission of the offence, any person who is involved in the commission of the predicate offence to evade the legal consequences of his or her action under this Law;
 - (ii) concealment or disguise of the true nature, source, location and disposition, movement or ownership of or rights with respect to money and property, knowing or having reason to know that such money and property are the proceeds of crime;
 - (iii) acquisition, possession or use of money and property, knowing or having reason to know, at the time of receipt, that such money and property are the proceeds of crime;
 - (iv) participation in, association with, aiding, abetting, facilitating, managing, counselling and being a member of an organized group and commission of an offence by any other means, by action or

omission, to commit, attempts to commit or conspiracy to commit any offence contained in clauses

(i) to (iii);

- (o) **“Money”** means legally exchangeable coins, banknotes and their denominations issued by the Central Bank of Myanmar or a foreign country, negotiable instrument which are promissory notes, bills of exchange and cheques, bonds, treasury notes bills and debentures, or debt guarantee instrument foreign currencies and any kind of instruments or certificate related to foreign currencies;
- (p) **Property** means being corporeal or incorporeal and tangible or intangible movable or immovable property in any form. This expression also includes profits, rights, dividend, title and other incomes on or value accruing from or title documents or generated by electronic means pertinent to property.
- (q) **“Money and property obtained by illegal means”** means money or property obtained directly or indirectly by committing an offence related to this law or act or omission related to committing any such offence. In this expression it also includes money or property and interests based and derived from such any property; and money or property transferred; or
- (r) **“Negotiable instrument”** means negotiable instruments including cheques that can be transacted by withdrawal form on behalf of the owner or by endorsement signing without restriction or by using name of fictitious payee or by any other form indicating its transforability, promissory notes for payment, payment orders, and financial deeds with transferable form. This expression includes cheques, promissory notes for payment, payment orders and partial deeds that are signed but without the name of payee.
- (s) **“Instrument”** means tools or things used or intended to be used in order to commit offence under this Law, or to commit the offence of money laundering or financial offence of terrorism.
- (t) **“Account”** includes any transaction of the following made by bank or financial organizations or non-financial business and skilled profession:
- (i) accepts deposits of money or property;
 - (ii) allowing the transfer of money or property; or allowing withdrawal from bank accounts;
 - (iii) giving or ordering negotiable instruments on behalf of other person; and ordering to obtain or collect letters of payment order;
 - (iv) facility or arrangement for a safe deposit box or for any other form of safe deposit.
- (u) **“Intermediary-focus investigation”** means a process including continual focus on obtaining complete information about the intermediary and information about the transference since the time of business

relationship in order to investigate whether the transference to the intermediary is related to financing of money laundering and terrorism; and reporting duly to the authority concerned;

- (v) **“Remittance by wired electronic transfer”** means any transference of money by electronic means from a financial business on behalf of a person to a beneficiary of another financial business.
- (w) **“Designated non-financial business and professions”** means are as follow:
- (i) Casinos,
 - (ii) Real estate agents,
 - (iii) Dealers in precious metals and precious stones;
 - (iv) **Lawyers, notaries, accountants or other independent legal professionals in respect of carrying out transactions acceptance and entrust of money and property of a client performing any of the following activities:**
 - (aa) **buying and selling immovable property;**
 - (bb) **managing of client money, securities or other assets;**
 - (cc) **management of bank, savings or securities accounts;**
 - (dd) **organization of contributions for the establishment, operation or management of companies;**
 - (ee) **establishments of legal societies or arrangements, operation or management of companies;**
- (v) Company, control body and company service providers which as a business provide any of the following services to third parties:
- (aa) Acting as formation agent of legal persons;
 - (bb) Acting as a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal society or arrangement persons;
 - (cc) Taking responsibility of a registration office, or business address, or correspondence or administrative address for a company, a partnership or any legal society arrangement;
- (vi) Acting as a trustee in a trusteeship company or performing the equivalent function in any legal society arrangement;
- (vii) Acting as a nominal shareholder or arranging a person to act as a nominal shareholder for another person.
- (x) **“Implementation by group work”** means supervision and coordination on its branch offices and subordinate companies in relation to guidelines of anti-money laundering and counter financial terrorism by any principal company or any other type of company.

Chapter II

Objectives

4. The objectives of this Law are as follows:

- (a) to enable to take effective action against money laundering and financing of terrorism and to prevent offences arising therefrom.
- (b) to prevent interference in the executive, economic and social sectors of the State through money laundering and financing of terrorism.
- (c) to implement anti money laundering and counter financing of terrorism in conformity with the international conventions which are accepted by the State;
- (d) to co-operate with international organizations, regional organizations and neighbouring States for combating money laundering, financing of terrorism and original offences.
- (e) to issue directives and guidance relating to system of combating money laundering and financing of terrorism in cooperation with financial institutions and other relevant government departments and organizations by conducting national risk assessment.

Chapter III

Offences applied to this Law

5. Laundering of money and properties getting from commission of any of the following offences shall be

applicable to this Law;

(a) offences committed by gang;

(b) offences relating to sexual exploitation including sexual exploitation of children;

(c) offences relating to infringement of the Intellectual Property right (offences relating to Intellectual Property);

(d) offences relating to environmental impact;

(e) offences relating to the evasion of tax and other tax crimes;

(f) offences relating to piracy;

(g) offences relating to terrorism;

- (h) offences relating to carrying out for getting the benefits by illegal means by the person who is the first to know information in using the said information by himself or giving the said information to another person and market manipulation;
- (i) committing of any offence which shall be punished with imprisonment of a term of a minimum of one year and above under any existing law of the State;
- (j) offences prescribed by the Union Government that are applied to this Law by notification from time to time;
- (k) offences relating to cooperation, abetting, supporting, providing, managing, advising and being the gang of commission of, committing or attempting to commit or conspiring to commit by action or omission of any offence contained in sub-sections (a) to (j) and by any other means.

Chapter IV

Formation of the Central Board and Duties and Powers thereof

6. The Union Government shall form the Central Board with 15 persons comprising the Union Minister for the Ministry of Home Affairs as Chairman and the suitable citizens as the members.
7. The duties of the Central Board are as follows:
 - (a) laying down the policies of anti money laundering and counter financing of terrorism and taking measures in coordination with the relevant government departments and organizations in accord with the said policies;
 - (b) laying down and implementation of national strategy on anti money laundering and counter financing of terrorism;
 - (c) conducting the national risk assessment relating to money laundering and financing of terrorism and forming and assigning the committees in order to implement the whole system of anti money laundering and counter financing of terrorism effectively by using risk based approach methods in cooperation with the relevant government departments and organizations and reporting organizations;
 - (d) monitoring the implementation of national policies and strategies laid down under sub-sections (a) and (b) and conducting the national risk assessment under sub-section (c) and reporting requirement of reporting organizations, government departments and other relevant organizations;
 - (e) issuing directives prescribed the following facts in order to be followed by the reporting organizations:

- (i) The investigative process focusing on the intermediary and enhance investigation with focus or intermediary in the high risk situation;
 - (ii) verifying investigation after establishment of business relation or a transformed transaction.
- (f) co-operating with the State Parties of the United Nations conventions, international and regional organizations and neighbouring States in respect of exchange of information, investigation and taking legal action relating to money laundering;
- (g) guiding the relevant government departments and organizations not to be established banks, financial institutions and business enterprises which are operated by money laundering;
- (h) laying down and guiding the policy on awareness and enhancement of anti money laundering and counter financing of terrorism to public services and non-government organizations among reporting sector, legal sector, judicial sector and prevention and suppression sector which are included in the process of anti money laundering and counter financing of terrorism of the State;
- (i) submitting the report of activities of the Central Board to the Union Government in accord with the stipulations.
8. The powers of the Central Board are as follows:
- (a) taking measures for identification and assessment of the risks of money laundering and financing of terrorism consecutively, keeping the final results of assessment, appropriate information among the said results to the relevant authorities and reporting organizations and causing to report the said information to the Financial Intelligence Unit;
 - (b) prescribing, with the approval of the Union Government, the value for money and property to be reported;
 - (c) issuing an order to the responsible persons of the banks and financial institutions in order to allow search and seizure of money and property in banks and financial institutions as exhibit, examining and making copy of the financial records and, if necessary, in order to allow search and seizure thereof as exhibit by the Scrutiny Body and revoking the said order;
 - (d) issuing the prohibitory order to the relevant departments, organizations and persons not to change, transfer, conceal, obliterate and convert money and property relating to money laundering during the investigation period under this Law, directing to seal and revoking the said order;

- (e) assigning duties to the Financial Intelligence Unit to carry out scrutiny, investigation, inspection, search, and seizure as exhibit in respect of money or property obtained by conducting money laundering in accord with the stipulations;
- (f) passing permitted order of the return of seized property as exhibit under a bond and supervising the revocation of the permission by the Scrutiny Body;
- (g) giving necessary protection and conferring the deserved reward to the informer in respect of money and property or instruments relating to money laundering;
- (h) forming the staff office comprising experts in order to assist functions and duties of the Central Board;
- (i) informing and coordinating with relevant Ministry, department or commission or organization to take suitable action among the following taking actions to company or reporting organizations which are sentenced by a Court under this Law:
 - (i) termination of business and revocation of the business licence of the said company or organization;
 - (ii) prohibition not to carry out any activity during a period for exceeding two years;
 - (iii) closure of branch of the company by prescribing a period for not exceeding five years;
 - (iv) prohibition not to use the premises connected with the commission of offences contained in this Law until a period for not exceeding five years;
 - (v) suspension, restriction or revocation of the licence and prohibition of the continuation of the financial institutions and non financial business and professions.
- (j) placing the company or reporting organizations which are sentenced by a Court under this Law under the supervision of the Central Board in accord with the prescribed conditions during a period for not exceeding one year;
- (k) publishing and announcing to the public the measures contained in sub-section (i) and sub-section (j) through mass media, radio and television or by electronic means or by any other means.

Chapter V

Formation of the Financial Intelligence Unit and Functions and Duties thereof

9. The Central Board shall form the Financial Intelligence Unit as an organization which may operate freely to give the result of scrutiny and other relevant information to the relevant responsible person or organizations urgently and to give the saids in accord with the request of internal and external partners when it suspects to receive, request and scrutinize the reports and other information related to the

offences of money laundering and financing of terrorism and the saids are related to money laundering and financing of terrorism and any offence applied to this Law.

10. The Financial Intelligence Unit:

- (a) shall issue, from time to time, the reporting forms, contents of the reports, procedures that should be conducted after reporting and methods of reporting which should be conducted by the reporting organizations.
- (b) may give the result of scrutiny or other relevant information to the relevant responsible person or organization to the relevant responsible person or organizations urgently and may give the saids in accord with the request of local and abroad partners if it suspects that money laundering or any offence applied to this Law is committed;
- (c) shall compile, maintain and disseminate information and statistics on trends of money laundering and financing of terrorism, results of monitoring assessment and forms, trends and risks of such offence;
- (d) shall cooperate and exchange information with other internal organizations implemented the matters under this law;
- (e) shall give awareness, training and assistance to government departments and organizations for enabling in implementation of this Law;
- (f) may request to send the prescribed forms of necessary information for enabling to carry out the functions and duties of the Board systematically by the relevant reporting organizations by prescribing a period;
- (g) is entitled to access any report or information received and kept by reporting organizations, implementing organizations and other government departments and organizations;
- (h) may cooperate with the relevant internal and external organizations to the tasks of anti money laundering and counter financing of terrorism;
- (i) is entitled to make agreement or arrangement with external partner. It may make mutual cooperation based on the stipulation of regulation in the situation without agreement;
- (j) shall perform the functions and duties assigned by any existing law.

11. The Financial Intelligence Unit, with the approval of Central Board,:

- (a) may exchange the information or cooperate with internal or external organizations on its volition or request that those are responsible to the same function of its organization and keep secret;

(b) shall inform any information which is exchanged or cooperated under sub-section (a) to comply with the following means:

(i) purpose which is used by the Financial Intelligence Unit and causing the use of same usage;

(ii) causing the use for combating money laundering and financing of terrorism or the offences contained in section 5;

(iii) causing to obtain the consent of organization of which assigns the said information if it purposes to use for any other matter;

(c) The Financial Intelligence Unit may receive the information referred to sub-section (g) of section 10 based on a request for assistance received from the external partner and may take other measures to be enabled the request for assistance in accord with the powers conferred to internal affairs.

12. The Financial Intelligence Unit shall:

(a) keep secret each of investigated matters;

(b) report the submission submitted by the Scrutiny Body to the Central Board.

Chapter VI

Formation of the Scrutiny Body and Functions and Duties thereof

13. The Financial Intelligence Unit shall, after receiving and scrutinizing the reports and information received under the provisions of this Law and information relating to money laundering and offences applied to this Law, form and assign the Scrutiny Body including members of Financial Intelligence Unit if it suspects that any offence applied to this Law is committed.

14. The Scrutiny Body may scrutinize money laundering, financing of terrorism, money and properties obtained by illegal means and possessions of terrorists and carry out the matters relating to control of the said money and properties temporarily as follows:

(a) identification and search of the traces of money and properties obtained by money laundering or possessions of terrorists or financiers of terrorism;

(b) search, obstruction, control, arrest, seizure as exhibit and return of the seized properties under a bond or money and properties obtained by illegal means or possessions of terrorist or financiers for terrorism;

(c) seal or prohibition not to transact by other means of the said money and properties during the period of scrutiny;

- (d) request and read of issuing financial or other records of reporting organizations;
 - (e) request and examination of required documents from the person who has been scrutinized or other person or government departments and organizations or banks and financial institutions;
 - (f) inspection, search and seizure as exhibit building, land and work-site named by other person which are derived from money and properties obtained by illegal means.
15. The Scrutiny Body shall:
- (a) keep secret each of scrutinized matters;
 - (b) report the measures to the Financial Intelligence Unit.

Chapter VII

Formation of Investigation Body and Functions and Duties thereof

16. The Central Board shall, after causing any member of the Central Board to perform as a Chairman of Investigation Body to investigate in respect of money laundering according to the report on findings submitted by the Financial Intelligence Unit, form at least three members.
17. The Investigation Body:
- (a) may summon and examine the required person regarding the report of the Scrutiny Body and may acquire the required evidences again;
 - (b) shall submit it's findings together with conclusion and remarks to the Central Board according to the report and further evidences of the Scrutiny unit;
 - (c) shall keep secret each of investigated matter.

Chapter VIII

Preventive Measures and Duty to Report

18. Reporting organizations shall carry out the risk assessment of money laundering and financing of terrorism according to information given by the Central Board in accord with sub-section (a) of section 8. The risk assessment and any visible evidence and information shall be recorded in writing and the said record shall be ready to use by the relevant authorities in addition to be in conformity with the final situation.

19. Reporting organizations:

- (a) shall carry out intermediary measures under this Law on accounts and customers existed before the enactment of this Law based on product, service and risk at suitable time. The intermediary processes shall be implemented as follows if the results of risk assessment under sub-section (c) of section 7 and information provided by the Central Board under sub-section (a) of section 8 are received:
- (i) deciding whether the transfer or other measures are formal or not and there is no reason to doubt or not, when the degree of risk of money laundering is indentified as high according to assessment, in addition to enhance intermediary measures in conformity with the said degree of risk;
 - (ii) facilitating the measure of intermediary focus investigation, when the degree of risk is indenfied as low according to the assessment, in conformity with the said degree of risk;
 - (iii) cease from the use of facilitated measures of intermediary - focus investigation under clause (ii) whether they are doubt or degree of high risk of money laundering and financing of terrorism;
- (b) shall carry out intermediary measures contained in sub-section (a) in the following time and situations:
- (i) before making a transfer or opening an account for a intermediary;
 - (ii) before making a transfer, when the transfer of reporting organization and a intermediary who is not established the business relationship is to report the stipulated amount or exceed such amount once or several times to communicate;
 - (iii) before making a money transfer by domestic or international telegraph or electronic means for intermediary;
 - (iv) whenever there is doubt that the former documents of intermediary are not correct or complete;
 - (v) whenever there is a doubt which is related to money laundering or financing of terrorism;
- (c) shall, if the amount of making transfer in respect of it referred to sub-section (b) is unknown at the time of operation, identify in accord with the provision of sub-section (a) as soon as the said amount is known or the said amount is reached to the prescribed amount;
- (d) shall carry out intermediary focus investigation measures under sub-section (a) as follows:
- (i) identifying the intermediary by means of free and reliable sources, documents, data or information and verifying the intermediary's registration;
 - (ii) collecting and understanding the purpose of business relationship and the nature of information;

- (iii) identifying the main beneficiary to be verified that the reporting organizations may know who is the main beneficiary and understand possession and control of company or legal arrangement and taking the suitable measures in order to verify the evidence of the said main beneficiary;
 - (iv) verifying whether the person on behalf of intermediary is authorized person or not for person, company, organization or legal arrangements and verifying the registration of that person is correct; verifying the legal status of person, company, organization or legal arrangement; receiving information of intermediary's name, legal formation, address and directors and regulating the power to be bound to company or legal arrangements;
 - (v) shall enhance verification upon intermediary contained in clause (i) to clause (iv) if the intermediary is reasonable to believe that he has internal and external influence or international influence on him;
 - (e) shall, if there is no performance of functions and duties of sub-section (d), not carry out or cease the matters of clause (i) to (iii) and report this situation to the Financial Intelligence Unit;
 - (f) may carry out intermediary measures under sub-section (d) although business relationship has been performed;
 - (g) shall keep documents, data or information collected under this section which are in conformity with the final situation and to be involved data including data relating to the intermediary who are degree of high risk of money laundering and financing of terrorism and data relating to business relationships especially.
20. Reporting organizations shall carry out consecutively intermediary for each of business relationships. Moreover, any transfer shall be scrutinized in conformity with data relating to intermediary, business activities and degree of risk. If necessary, source of money shall be scrutinized.
21. (a) Reporting organizations shall monitor the following transactions:
- (i) all complex, unusual large transactions or unusual patterns of transactions without prominent business resources or lawful purpose; and
 - (ii) any business relationship or transaction with a person from or in a country which does not follow measures to prevent money laundering and financing of terrorism.
- (b) The background and purposes of transactions or business relationships contained in sub-section (a) shall, as far as possible, be examined and the findings shall be recorded in writing.

- (c) Where the risk of money laundering or financing of terrorism contained in sub-section (a) is identified to be higher, reporting organizations shall enhance intermediary measures.
22. Reporting organizations shall keep appropriate risk management systems to determine whether or not a intermediary or a beneficial owner is a person who have influence internal and external or international and, if so:
- (a) In respect of the persons who have influence in international -
- (i) obtaining approval from senior management before establishing or continuing a business relationship with such persons;
 - (ii) carrying out all reasonable measures of taken action to identify the wealth and financial resources; and
 - (iii) exercising enhanced intermediary measures and monitoring such a business relationship.
- (b) exercising the measures of taken action contained in sub-section (a) where the reporting organizations determine the risk to be higher in respect of the persons who have influence in internal and external.
23. Reporting organizations shall maintain records of the following information and ensure that the records and underlying information are readily available to the financial intelligence unit and other competent authorities and the records should be sufficient for the reconstruction of individual transactions:
- (a) evidence documents, records obtained from intermediary measure and finding documents including accounts and business correspondence of intermediary or beneficial owners for at least five years after the business relationship has been ceased or the occasional transaction has been carried out;
- (b) records on attemption of transaction in both domestic and foreign or records on transaction for the following five years after the transaction has been carried out;
- (c) copies of transaction reports under chapter 8 of this law and other related documents for at least five years from the date of the report was submitted to the Financial Intelligence Unit; and
- (d) risk assessment and other underlying information for a period of **five years** from the date of its completion or update;
24. (a) Reporting organizations may rely on a third party who has a capacity to perform the following elements among the intermediary measures:
- (i) enabling to obtain all information, without delay, contained in sub-section (d) of Section 19;
 - (ii) enabling to carry out identification data and other documents relating to intermediary measures without delay if it is requested; and

(iii) enabling to carry out, to the satisfaction of the reporting organization, maintenance, supervision or monitor and assessment for compliance with the requirements, on behalf of itself, contained in sections 21 to 23,

(b) The identification and verification of intermediary under sub-section (a) is the main duty of the reporting organization.

25. Reporting organizations shall identify and assess the money laundering and financing of terrorism arise in relation to new products, services, business, or technologies, and take appropriate measures of taken action to manage and mitigate such risks.

26. The bank and financial institution shall carry out the following in addition to carrying out intermediary measures contained in section 19 before making transnational correspondent banking and other similar relationships:

(a) collecting, obtaining and attempting to know the respondent institution's business, its reputation and whether or not it has been investigated or taken action relating to money laundering or financing of terrorism and the information about the quality of supervision;

(b) obtaining approval from senior management;

(c) conducting an assessment of the quality of Anti money laundry and Counter financial terrorism controls of the respondent institution; and

(d) recording the responsibilities of Anti money laundry and Counter financial terrorism of each institution.

27. (a) The bank and financial institution shall scrutinize in accord with the stipulations in performing the transfers of money remittance by wire or electronic. The messages and payments in the transfer of money remittance by wire or electronic shall be included in such information. If there is no account number, the specific reference number shall be numbered for such transfer. The intermediate financial institution shall maintain and send the information contained in the provisions of this section.

(b) The sub-section (a) of this section shall not apply to the followings:

(i) transfers with credit card or debit card, the transfer of the number of the credit card or debit card with such transfer; or

(ii) transfer between banks and financial institutions where both the originator and the beneficiary are the banks and financial institutions performing on their own behalf.

- (c) The Bank and a financial institution shall not carry out the transfer of money remittance by wire or electronic which is unable to comply with the provisions contained in sub-section (a).
 - (d) The Bank and a financial institution transferring or receiving money remittance by transnational wire or electronic shall:
 - (i) supervise to maintain the information of originator and beneficiary or the owner together with such transfer;
 - (ii) take reasonable action to identify the transfer of money remittance by wire or electronic which do not apply with sub-section (a);
 - (iii) issue the necessary procedures to execute, receive, reject or suspend such transfer and to take any follow-up action.
 - (e) If technical limitations prevent the information on the originator or beneficiary contained in sub-section (a) to remain the record of the transfer of money by domestic wire or electronic, a record should be kept by the institution receiving the above all information from the institution which orders or processes such transfer;
 - (f) A financial institution receiving transnational transfer of money remittance by wire or electronic that lacks information required under sub-section (a) shall verify the beneficiary in respect of such transfer;
 - (g) The Central Bank of Myanmar shall issue directives that should be followed by banks and financial institutions performing the transfer of money remittance by wire or electronic.
28. (a) Reporting organizations shall adopt, add and implement internal programs, policies, procedures and controls for the implementation of the provisions of this Law and for the reduction of the risks identified pursuant to this Law, and monitor the implementation of such policies and controls and enhance them, if necessary. In such policies and controls, the following data shall be included:
- (i) intermediary measures, continuous focus investigation, monitoring the transactions, the obligations to report and to maintain the record;
 - (ii) supervising the procedures to ensure high standard of integrity of its service and a system to evaluate the personal, servicing and historical background of financial of these services.
 - (iii) continuous training programmes to assist by specific in respect of knowing their intermediary, recognizing the specific responsibilities related to the Anti money laundry and Counter financial terrorism and transferring which are required to report contained in chapter 8.

- (iv) an independent audit function to examine compliance with and effectiveness of the measures of taken action in implementing this Law.
 - (b) reporting organizations shall designate a compliance officer at the level of senior management.
 - (c) the reporting organization shall determine the types of measures of taken action for each of the requirements of this Section. The amount of the business, intermediary, transactions, products, services and delivery channel and the scope, geographic and country related to such business shall be concluded together with the risk of money laundering and financing of terrorism.
 - (d) The following processs shall be abided definitely:
 - (i) abiding widely by group including foreign branches and majority owned subsidiaries the controlling maintenance and policies prescribed under this Law;
 - (ii) keeping the procedures of exchange information within a financial group for the purposes of carrying out intermediary measures and managing money laundering and terrorism financing risks, including procedures to safeguard and use the exchange information.
29. Reporting organizations shall empower the following powers to the officer appointed under sub-section (b) of section 28:
- (i) power to obtain any documents, records, registers and accounts necessary for the performance of his tasks,
 - (ii) power to request and obtain any information, notice, explanation or document from any service of the reporting organization.
30. (a) No one shall establish the Quasi Bank or continue to operate in Myanmar;
- (b) Financial institutions shall not commence or continue to carry out business relationship with Quasi Banks or in their countries in which the Quasi Banks are situated;
 - (c) Financial institutions shall not permit the Quasi Bank to commerce or carry out business relationship with financial institutions which obtain permit to use their accounts.
31. (a) The Financial Intelligence Unit shall identify the countries which do not insufficiently follow measures of taken action to combat money laundering and financing of terrorism, and shall issue directives to be followed in relation to such countries.
- (b) Reporting organizations shall follow exactly the directives issued contained in sub-section (a).
 - (c) Supervising the reporting organization to comply exactly the prescribed measures by the supervisory authorities.

32. Reporting organizations shall promptly report to the financial Intelligence Unit according stipulated methods under section 10 sub-section (a) if any money or property were obtained illegally which the transferring of money and property are exceeded amount or fixed amount to report or the money and property are related to Anti money laundry and Counter Financial Terrorism or reasonal ground to attempt to do so.
33. Responsible persons of government departments and organizations or reporting organizations shall not disclose any reports or relevant information and any performance under section 32 to any person except inter-personnel and legal counsel.
34. Financial institutions shall report to the Financial Intelligence Unit any cash transaction in an amount which is in equal or excess amount by a single transaction or several transactions that appear to be linked.
35. Lawyers, notaries and other legal professionals shall have no obligation to report information of decision on legal position including the advice for prosecution or to avoid prosecution in respect of intermediary.

Chapter IX

Supervision

36. Supervisory Authory:
- (a) shall supervise to follow the provisions contained in this Law by reporting organizations without fail;
 - (b) shall undertake the assessment of potential money laundering and financing of terrorism risk of reporting organizations. The assessment shall be updated and shall adopt measures of taken action to ensure that risks are adequately managed;
 - (c) may collect information and other data from reporting organizations and conduct in-site and out-site examinations, based on a group-wide basis by himself or his representative;
 - (d) may take the copy of any information and document maintained by reporting organizations;
 - (e) may lay down and apply measures of taken action on reporting organizations for failure to comply with the provisions contained in Chapter VIII of this Law;
 - (f) may cooperate and exchange information with other competent authorities in investigations or prosecutions relating to money laundering, financing of terrorism or offences applied to this Law;

- (g) may prescribe the measures of taken action consistent with the provisions of this Law or existing domestic laws and regulations by the foreign branches or subsidiaries owned majority by them of the reporting organizations and may scrutinize whether or not they exercise as such stipulations;
 - (h) shall report promptly to the Financial Intelligence Unit any transactions or facts that could be related to money laundering or financing of terrorism;
 - (i) may keep and exercise the standard prescriptive which are suitable for owning, controlling, or participating, directly or indirectly, in the administrative, management or operation of the reporting organizations;
 - (j) may submit to the Central Board in order to suspend, restrict or revoke license and prohibit the continuation of non financial business and professions;
 - (k) shall maintain statistics concerning measures of taken action under this Law.
37. Competent regulatory authorities may impose one or more of the following supervision or counter measure against reporting organizations or directors, board of directors, executive directors or administrator of the reporting organization who failer to comply with the obligations under Chapters VIII of this Law:
- (a) written warnings;
 - (b) restricted by specific instructions;
 - (c) to be submitted the reports in accordance with the stipulation in respect of the taking action of the identified violation,
 - (d) taken action with other appropriate measure.
38. Supervisions authorities shall inform the imposed actions under section 37 through the Financial Investigation unit to the Central Body.

Chapter X

Cross Border Transportation of Money or Bearer Negotiable Instruments

39. Any person who enters or leaves the territory of Myanmar and has money, bearer negotiable instruments, or precious stones or metals the value of which equals or exceeds an amount determined by the Central Board in his possession or baggage; or arranges for the transportation via mail or any type of vehicles into or out of Myanmar shall declare officially to Customs Department.

40. The Customs Department shall have the power to seize part of or the whole amount of money, bearer negotiable instrument or precious metal or stone in case of a false declaration or a failure to declare as required under section 39, or if there is suspicion that they are related to money laundering or offences relevant to this Law. In doing so, it may apply in accordance with the provisions contained in the Sea Customs Act to investigate regarding properties as may be necessary.
41. The Customs Department shall have vested powers for the compliance with the provision contained in this chapter by the relevant persons under the Sea Customs Act and the following facts:
- (a) carrying out the controls on natural persons, their baggages, their means of transport and mail or containers; and
 - (b) requesting or obtaining new information related to origin of the money, negotiable instrument, precious metal and stones from the persons referred to the subsection (a) if a false declaration or a failure to declare is discovered or there is suspicion of money laundering, terrorism financing or any offence contained in this law.
42. Information obtained by the Customs Department under the provisions of this law shall be provided to the Financial Investigation Unit and the Foreign Exchange Management Department of the Central Bank of Myanmar.

Chapter XI

Offences and Penalties

43. Whoever commits money laundering shall, on conviction, be punished with imprisonment for a term which may extend to ten years or with fine or with both. If the offender is a company or an organization, a fine of up to five hundred million kyats shall be imposed on such company or organization. The owner of beneficiary shall be punished with imprisonment for a term which may extend to seven years.
44. Any responsible person from the reporting organization which provides information violates the provisions of section 18 to 25, section 28 and 29 or any responsible person from bank and financial institutions violates the provision of section 26 and 27 shall, on conviction, be punished with imprisonment for a term which may extend to three years and may also be liable to a fine. If the offender is a company or organization, one hundred million kyats shall be imposed on such company or organization.

45. Whoever violates the provision of sub-section (a) of section 30 or any responsible person from bank or financial institutions violates or attempts to commit sub-section (b) and (c) of section 30 shall, on conviction, be punished with imprisonment for a term which may extend to seven years and may also be liable to a fine. If the offender is a company or an organization, a fine of up to three hundred million kyats shall be imposed on such company or organization.
46. Any responsible person from the reporting organization which provides information reports to Financial Investigation Body under section 32 by presenting false statement or concealing facts shall, on conviction, be punished with imprisonment for a term which may extend from a minimum of three years to a maximum of seven years and may also be liable to a fine. If the offender is a company or an organization, a fine of up to three hundred million kyats shall be imposed on such company organization.
47. Whoever intentionally or by negligence violates or fails to comply with Section 39, or makes a false declaration of money or negotiable instrument under Section 40, or conceals facts which should be disclosed to a customs official, official or any competent official, shall, on conviction, be punished with imprisonment for a term which may extend to three years and may also be liable to a fine. If the offender is a company or an organization, a fine of up to three hundred million kyats shall be imposed on such company or organization.
48. Whoever fails to comply with a prohibitory orders and directives relating to money and property which are to him, during the investigation period under this Law shall, on conviction, be punished with imprisonment for a term which may extend to seven years and may also be liable to a fine. If the offender is a company or an organization, a fine of up to three hundred million kyats shall be imposed on such company or organization.
49. Any responsible person from bank and financial institution commits the provisions contained in section 34 shall, on conviction, be punished with imprisonment for a term which may extend to three years and may also be liable to a fine. If the offender is a company or an organization, a fine of up to three hundred million kyats shall be imposed on such company or organization.
50. Any reporting organization which provides information, government department, government organization or director or them, official and staff violates the provisions contained in section 33 shall, on conviction, be punished with imprisonment for a term which may extend to three years, or with fine or with both.

51. Any member of scrutinizing unit or Investigation Body commits any of the following acts or omissions in investigating an offence relevant to this law shall, on conviction, be punished with imprisonment for a term which may extend from a minimum of three years to a maximum of seven years and may also be liable to a fine:
- (a) demanding or accepting money or property either for himself or for any other person as a gratification;
 - (b) substitution of an offender with any other person so that action cannot be taken against him or hiding without taking action against him;
 - (c) concealment, obliteration, conversion, transfer in any manner or disguising of money and property obtained from money laundry so that action may not be taken;
 - (d) amending, altering, adding, substituting, making false entry in documents.
52. Court shall:-
- (a) pass the confiscation order or administrative order in accordance with the stipulations on exhibit and money relating to the case if punishment is imposed under any offence contained in this law;
 - (b) coordinate with relevant government organization in order to contribute the money at the rate of 5% of fine imposed to the fund for anti money laundering and counter financing of terrorism;
 - (c) collect on such company or organization as if it is an arrear of income-tax, if the fine is not paid by the person imposed under this Law.

Chapter XII

International Cooperation

53. The Central Board shall cooperate and coordinate with international and regional organizations and state parties to international or regional anti money laundering organization to take appropriate action including the following matters:
- (a) exchange of information relating to money laundering and financing of terrorism;
 - (b) arranging, preparing, managing on the anti money laundering and counter financing of terrorism and cooperating in accordance with the mutual legal assistance in criminal matter law;
 - (c) conducting training, technical cooperation, capacity building on anti money laundering and counter financing of terrorism;
 - (d) conducting anti money laundering and counter financing of terrorism awareness functions;

- (e) cooperation for raising capacity building in combating money laundering and counter financing of terrorism to be in accordance with international standards;
- (f) cooperation in research and development functions concerning money laundering and anti terrorism.

Chapter XIII

Extradition

54. (a) Money laundering under this law shall be stipulated as extraditable offence and the extradition shall be performed in accordance with the existing laws.
- (b) in respect of extradition under this law, other regulations laid down by the law of requested state shall be applied as reference;
55. Matters relating to request of extradition of an offender who commits any money laundering offence contained in this law within the country and mutual legal assistance requested by a state party of any international or regional organization:
- (a) the money laundering offences pertinent to this law shall not be considered as political offence, offence related to it or offence committed for political intention.
 - (b) it shall not be refused on the ground that committed money laundering offence stated in the request is political offence or offence related to it or offence committed for political intention only.

Chapter XIV

Fund for Anti Money Laundering and Counter Financing of Terrorism

56. The Central Board shall establish a fund for anti money laundering and counter financing of terrorism with the following receipts and properties:
- (a) money granted from the Union fund in accordance with the existing law;
 - (b) 5% of fine imposed by the court;
 - (c) money and properties donated from internal and external well-wishers.
57. The Central Board may grant the anti money laundering and counter financing of terrorism fund for utilizing or bearing the expenses for the following matters:
- (a) expenses that are required to perform the tasks of financial intelligence unit, scrutiny unit and investigation body;

- (b) matters laid down the plans those are required to fight against money laundering and financing of terrorism;
- (c) scrutiny and investigation the financing of anti money laundering and terrorism, and matters honoured the deserving reward to person and organizations in revealing them;
- (d) expenses for awareness programs and upgrading ability programs relating to anti money laundering and counter financing of terrorism;
- (e) expenses that buying and installing the equipments for functions of anti money laundering and counter financing of terrorism;
- (f) matters in regard to cooperation with international and regional organizations and foreign countries in fighting against money laundering and financing of terrorism;
- (g) expenses for other necessary matters and other emergency matters specified by the Central Board;
- (h) rewarding the person who reveal excellently in the matters of money laundering and financing of terrorism.

Chapter XV

Miscellaneous

58. The relevant Ministry shall exclusively prescribe the budget allotment for the Financial Intelligence Unit.
59. (a) Reporting organizations or their directors or officers or staff that submitted or given the informations with good faith in accordance with the provisions of this Law shall not be prosecuted or taken action under criminal action or civil action or disciplinary or administrative means for committing the provisions of banking or the provisions of keeping professional confidential or the provisions of contract.
- (b) The provisions of finance and keeping professional confidential and the provisions of security caution to be complied with reporting organizations or their directors or officers or staff are covered by the provisions of this Law.
60. In respect of any offence under section 5, the accused person has the responsibility to prove clearly that the money and properties are obtained legally.
61. In the prosecution for money and property obtained by illegal means, the prosecuting body:
- (a) if it is proved that the illegal money and properties are obtained by the commission of any offence, it shall be deemed that it is sufficient under law. It shall not be necessary that how to commit the predicate offence obtained such money and properties;

- (b) shall not consider the amount of money and properties obtained from committing offence in respect of offence contained in sub-section (a);
- (c) the knowledge, intent or purpose of offender is elements of the predicate offences, they may be inferred from objective factual circumstances offences of money laundering and financing terrorism.
62. In respect of money and properties obtained from money laundering cases, if any other person who is not under scrutiny and investigation is able to prove clearly that such money and properties were transferred with consideration and in good faith, his right and privilege shall not be affected.
63. Whoever shall be guaranteed for obtaining the fair treatment and other rights in line with international human right law in carrying out scrutinizing, investigating and taking action on money laundering cases under this Law.
64. Any person in custody pursuant to money laundering offence shall have the right to communicate without delay with the nearest appropriate embassy or consulate or representative of the State of which he is a national in order to get his rights.
65. The relevant government departments and organizations shall comply the orders issued under this Law.
66. The person who works currently or the past in the Central Board, Financial Intelligence Unit, the Competent Regulatory Authority, Reporting Organization and other government department and such organizations which implemented this Law shall keep secretly any received information within his duty period until the duty is finalized, and the responsible person may use the information in line with the provision of this Law or order of a court. If it is committed this provision shall be taken action by the Official Secret Act.
67. Money or property obtained by committing any offence relating to this Law contained in section 5:
- (a) action shall be taken only under this Law upon offences relating to money and property obtained by the commission of any offences of sub-section (n) of section 3, after this Law comes into force;
- (b) action shall be taken under the Control of Money Laundering Law, upon offences relating to money and property obtained by the commission of any offence of sub section (n) of section 3, before this Law comes into force.
68. In prosecuting any offence under this Law, the prior sanction of the Central Board or organization authorized by the Central Board shall be obtained.
69. For the purpose of implementing the provisions of this Law:

- (a) the Ministry of Home Affairs may, with the approval of the Union Government, issue, rules, regulations and bye-laws as may be necessary;
- (b) the Ministry of Home Affairs and the Central Board may issue notifications, orders, directives and procedures as may be necessary;
- (c) the Central Bank of Myanmar, the Competent Regulatory Authority and the Financial Intelligence Unit may, with the approval of the Central Board, issue directives, procedures and bye-laws as may be necessary.

70. Rules, regulations, bye-laws, orders and directives issued by the Control of Money Laundering Law (The State Peace and Development Council Law No. 6/2002) or other any authority may continue to apply if those are not conflict with this Law.

71. The Control of Money Laundering Law (The State Peace and Development Council Law No. 6/ 2002) is hereby repealed by this Law.

I hereby sign it under the Constitution of the Republic of the Union of Myanmar.

(Sd.) Thein Sein

President

Republic of the Union of Myanmar