

Anti-Money Laundering Law

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Introduction

The Anti-Money Laundering Law (AML) was enacted by the Pyidaungsu Hluttaw on March 14, 2014.

It provides a legal framework for combating money laundering and financing of terrorism, ensuring compliance with international standards.

Jurisdiction and Scope

The AML Law applies to **any individual or entity** committing money laundering offenses within the Union of Myanmar, **on board vessels, aircraft, and vehicles registered under Myanmar law**, as well as **Myanmar citizens or residents** committing offenses abroad.

Key Definitions

- **Central Committee:** The authority formed under the AML Law for oversight.
- **Financial Intelligence Unit:** The unit responsible for investigating financial matters.

Role of the Financial Intelligence Unit

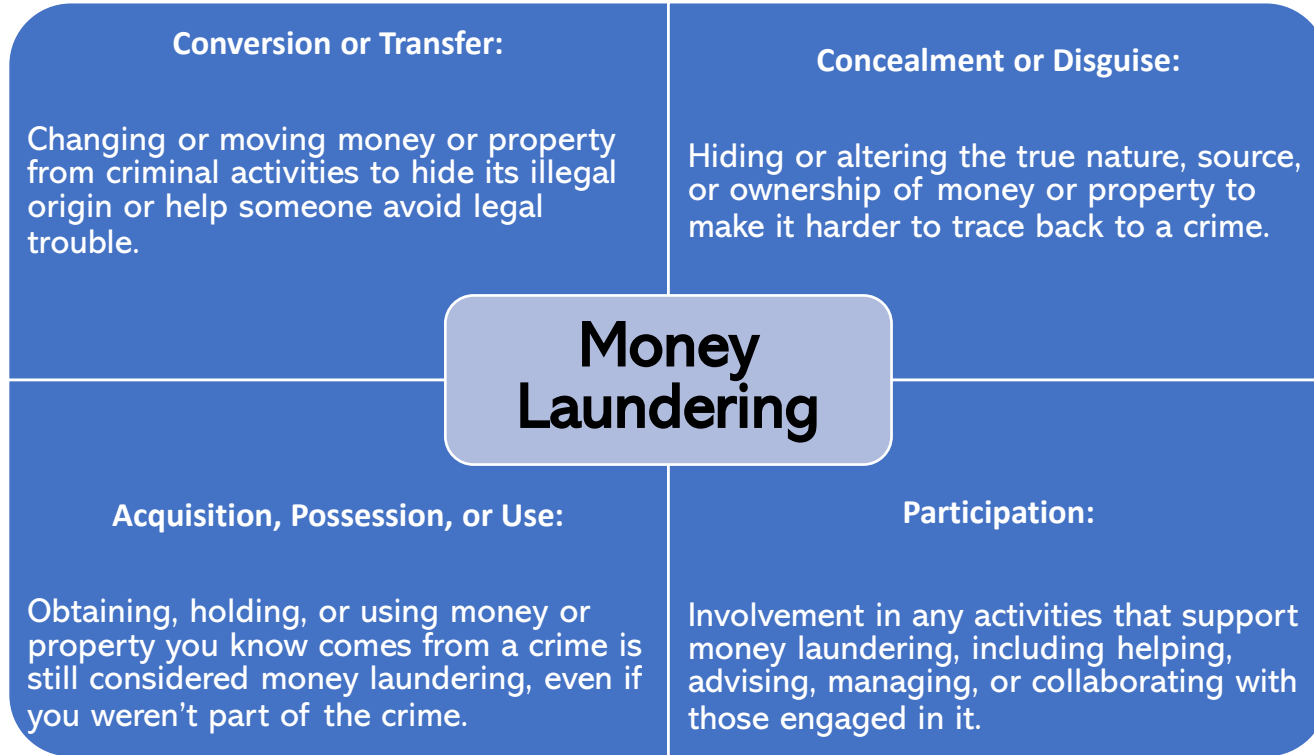
The Financial Intelligence Unit is tasked with scrutinizing and investigating suspicious financial activities. It coordinates with both domestic and international partners to combat money laundering and terrorism financing.

Key Definitions

Reporting Organization:

- banks
- financial institutions
- designated non-financial businesses
and professions
- Other organizations as directed by the
Central Committee

What is Money Laundering?



Offenses Covered

The AML Law covers a wide range of offenses, including:

- Gang-related crimes
- Sexual exploitation, including of children
- Tax evasion
- Environmental crimes
- Terrorism-related offenses
- Serious Crimes
- Other Offences

Preventive Measures

Reporting organizations are required to implement several preventive measures, including:

- Conduct thorough risk assessments for money laundering and terrorism financing, documenting findings in writing (section 18)
- Verify the identity of new and existing customers before establishing relationships or processing significant transactions (**Customer Due Diligence (CDD)**)
- Continuously monitor transactions, especially those that are complex or unusually large, to detect suspicious activities

Preventive Measures

- Maintain records of all transactions and due diligence for at least five years, ensuring quick access when needed
- Establish strong internal controls with a dedicated compliance officer at the senior management level to oversee AML procedures
- Implement ongoing training for employees to identify and report money laundering or terrorism financing activities
- Regularly audit AML processes to ensure effectiveness and compliance with legal requirements

Preventive Measures

- Allow third-party due diligence only if they provide necessary information promptly and meet compliance standards
- Apply enhanced due diligence for high-risk customers, such as politically exposed persons (PEPs)
- Ensure wire transfers include complete information on both originator and beneficiary, and detect any deficiencies
- Ensure that all foreign branches and subsidiaries comply with Myanmar's AML laws, regardless of local regulations

Preventive Measures

- Avoid relationships with "Quasi Banks" or institutions in countries with poor AML enforcement
- Report suspicious transactions immediately to the Financial Intelligence Unit (FIU)

Offenses and Penalties

For Direct Involvement in Money Laundering:

Imprisonment: Up to 10 years for individuals.

Fines: Up to 500 million kyats for organizations involved in or facilitating money laundering.

Offenses and Penalties

For Non-Compliance with AML Obligations:

- **Imprisonment:** Up to 7 years for individuals, including directors, executives, or administrators of reporting organizations.
- **Fines:** Up to 300 million kyats for failing to comply with AML regulations, such as not reporting suspicious transactions or not conducting proper due diligence.

Miscellaneous Provisions

Protection from Liability: Reporting organizations, including their directors, officers, and employees, are protected from civil, criminal, or administrative liability when they report suspicious activities in good faith as required by the law.

Exemption from Liability: Persons or organizations who disclose information as part of their duties under the AML law are exempt from any civil or criminal liability related to the disclosure.

Miscellaneous Provisions

Confidentiality: Information obtained through AML processes must be kept confidential. This confidentiality must be maintained by all officials, and any breach of this provision can lead to legal action under relevant laws.

Summary and Conclusion

The Anti-Money Laundering Law provides a robust legal framework to combat financial crimes in Myanmar. Through stringent measures, international cooperation, and strong enforcement, the law aims to protect the state's integrity and security.

Q & A

Thank You !