

The Republic of the Union of Myanmar
Ministry of Finance
Securities and Exchange Commission
Instruction (4/2016)
Preventing Insider Trading
25th March, 2016

Under Section 71 (b), Chapter X III of the Securities Exchange Law (Law), the Securities and Exchange Commission of Myanmar (SECM) hereby issues an instruction for preventing insider trading to protect investors and achieve investor confidence in the fairness and soundness of securities market.

Introduction

1. According to section 49 (c) of Securities Exchange Law, it is prohibited that a person uses internal information such as undisclosed material facts of listed companies to buy or sell securities for its own account or for other persons or discloses or provides internal information or gives advice to other persons to buy or sell securities based on undisclosed internal information (Insider trading).

Governance

2. Securities companies, listed companies, Yangon Stock Exchange, and other related parties shall have an internal policy to prevent insider trading which involves their own staffs.

3. Securities companies shall not allow their employees to conduct securities transactions of listed shares underwritten by such securities companies.

Examination

4. In case where customers are in categories below, securities companies shall carefully examine the securities transactions by such customers.

- Directors of listed companies
- Directors of the parent or subsidiary of listed companies
- Government officials who are in positions to obtain internal information of listed companies
- Major shareholders which own more than 20% of a listed company
- Immediate family members (e.g. parents, spouse, and children) of persons mentioned above

5. Yangon Stock Exchange shall examine if a listing applicant has sufficient internal system and internal control to prevent insider trading and disclosure framework.

Material information

6. SECM considers the following information and facts inter alia have influence on investment decisions provided in Section 184 of Securities Exchange Rules:

- Financial results including unaudited financial statement
- Facts provided in Section 4 and 5 of Notification (1/2016) issued by SECM
- Matters to be disclosed in accordance with Outline of Timely Disclosure by Yangon Stock Exchange

Chairman
Securities and Exchange Commission of Myanmar