

Ministry of Finance
Securities and Exchange Commission
Instruction (3/2016)

**Anti-Money Laundering Instruction for Securities Companies, Stock Exchange, and
Over-the-Counter market**

March 11, 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 Anti-Money Laundering measure for securities companies, stock exchange, and over-the-counter market.

1. This instruction covers securities companies which obtain securities business license provided in section 25 of Law, stock exchange which obtain a permit of stock exchange provided in section 8 (a) of Law, and Over-the-Counter market which obtain a permit provided in section 44 of Law.
2. The purpose of this instruction is to develop AML measures in securities market industry, to prohibit transactions by illegal persons/companies, and to prohibit listing by companies which are related to illegal activities.

Securities transaction

3. In case of securities transaction, there are two stages where money laundering activities can be prevented. The first stage is customer's securities account opening, and the second stage is customer's making order. Therefore, securities companies should develop its AML measures for each stage.
4. In case where securities companies realize the transaction of account holder is a suspicious case of money laundering, they should make suspicious transaction report to Securities and Exchange Commission of Myanmar (SECM) in timely manner. If securities companies realize the transaction is a case of money laundering after their own examination, they shall suspend such transaction.
5. Criteria of suspicious transaction of money laundering is as below.
 - (a) Transaction by persons in black list or any suspicious persons upon the
 - (b) Above 10 million kyat of transaction

(c) Unusual large amount of transaction according customer's profile even if the amount of less than 10 million kyat of transaction.

(d) Transaction by persons who force securities companies to accept cash

6. In addition to the criteria above, each securities company shall develop its own criteria for AML measures.

IPO/Listing

7. In case where securities companies conduct due diligence to public companies which intend to make public offering or become listing, such due diligence shall include the point of AML measures. Therefore, securities companies shall develop its AML measures for IPO/listing advice.

8. In addition to securities companies, stock exchange and OTC shall develop its AML measures in their listing examination process.

Governance

9. Securities companies, stock exchange, and OTC shall develop own governance structure for AML such as internal audit based on this instruction.

10. Securities companies, stock exchange, and OTC shall designate a compliance officer at senior management level in charge of AML measures.

11. Securities companies, stock exchange, and OTC shall give sufficient education and training to staff to implement AML measures effectively.