



The Government of the Republic of the Union of Myanmar

Ministry of Planning and Finance

The Securities and Exchange Commission

Notification No. (1/2022)

The 1st, Waxing of Tabodwe, 1383 M.E.

(1st February, 2022)

**Allowing for the establishment of a Second Board on the Yangon Stock Exchange
with the name of the Pre-Listing Board (PLB)**

In exercise of the power conferred by subsection (b) of section 71 of the Securities Exchange Law and with the approval of the Ministry of Planning and Finance, Management Committee Meeting No. (4 / 2021-2022) held on 31-1-2022, the Securities and Exchange Commission hereby issues this notification.

1. The Securities and Exchange Commission hereby approves the establishment of a Second Board with the name of the Pre-Listing Board (PLB), on the Yangon Stock Exchange.
2. The objectives of approval for the establishment of a Second Board with the name of the Pre-Listing Board (PLB) on the Yangon Stock Exchange are as follows:
 - (a) to support the increasing of listed companies on the Yangon Stock Exchange and to develop the stock market;
 - (b) to create an alternative market for public companies which want to be listed on the Yangon Stock Exchange but still required to meet listing criteria;
 - (c) to carry out state-owned enterprises that should be fully or partially equitized and to become listed companies through the Pre-Listing Board in accordance with the action plan set out in the Strategy 2.5.3 of Goal 2 of Myanmar Sustainable Development Plan (2018-2030);
 - (d) to raise capital through the Pre-Listing Board for the development of small and medium enterprises in Myanmar.

3. With regard to the establishment of the Pre-Listing Board, the Yangon Stock Exchange shall:

- (a) submit Securities Registration Business Regulation, Business Operation Manual of Pre-Listing Board, Registration Criteria and Regulations on appointment of Registration Advisor and other relevant regulations; guidelines and procedures which required for the establishment of a Pre-Listing Board, to the Commission for publication;
- (b) submit the followings to the Commission regarding to the public companies to be registered in the Pre-Listing Board, after review in accordance with the relevant law and rules:
 - (i) appointment of a registration advisor;
 - (ii) compliance of existing laws related to Anti-Money Laundering and Combating Financing to Terrorism;
 - (iii) public offering the shares of the companies to be registered;
 - (iv) allowing foreigners participation in share trading of companies to be registered;
- (c) allow to register the eligible company, with the approval of the Commission, after scrutinizing whether or not the company conforms to the specific criteria and requirements to be registered in the Pre-Listing Board;
- (d) allow the company which applies for a Registration Advisor, with the approval of the Commission, after scrutinizing whether or not the company conforms to the standard qualifications of the Securities Registration Business Regulations;
- (e) submit the progress report of the registered companies of the Pre-Listing Board to the Commission in order to be a listed company;
- (f) scrutinize and report the compliance status, in accordance with the existing laws in relation to Anti-Money Laundering and Combating Financing to Terrorism, of the companies registered in the Pre-Listing Board to the relevant authority;

- (g) grant registration to small and medium enterprises which are recognized by the Myanmar SME Development Agency at a reasonable fee, if they are in conformity with the criteria of the Pre-Listing Board.

4. The following companies shall have the right to register and trade its shares in the Pre-Listing Board:

- (a) a company, except listed on the Yangon Stock Exchange, already made public offering with the approval of the Commission according to subsection (a) of section 35 of the Securities Exchange Law;
- (b) a public company with more than 100 shareholders;
- (c) a company that meets the criteria of Pre-Listing Board issued by the Yangon Stock Exchange.

5. Companies to be registered in the Pre-Listing Board shall:

- (a) appoint a company as the Registration Advisor for the Pre-Listing Board, that shall be a securities company or a company appointed by the Yangon Stock Exchange;
- (b) try to become a listed company on the Yangon Stock Exchange within five years of its registration date;
- (c) conduct the followings:
 - (i) obtain the recommendation of the Registration Advisor in the case of offering existing shares;
 - (ii) obtain the prospectus approved by Commission in accordance with subsection (b) of section 35 of the Securities Exchange Law in the case of offering new shares.
- (d) obtain the approval of SECM for the prospectus which is published in accordance with subsection (b) of section 35 of the Securities Exchange Law in the case of secondary offering after registration in the Pre-Listing Board;
- (e) carry out in accordance with the business terms and condition, instructions and procedures of Yangon Stock Exchange.

6. Registration Advisor shall:

- (a) carry out registration advisory services in the Pre-Listing Board except for securities business under subsection (b) of section 2 of the Securities Exchange Law;
- (b) comply with the business terms and condition, instructions and procedures of Yangon Stock Exchange;
- (c) carry out the registration advisory services with integrity.

7. In carrying out the registration advisory services in the Pre-Listing Board of the Yangon Stock Exchange, the Registration Advisor shall:

- (a) advise on registration application;
- (b) prepare recommendations and market valuations specified by the Yangon Stock Exchange and support the requirement in applying for registration;
- (c) advise on the disclosure of corporate information after registration.

8. In establishing the Pre-Listing Board in accordance with the provisions of this notification, Yangon Stock Exchange, Securities Companies and Registration Advisor shall comply with the Notification No.1/2015 issued by the Commission for recording the securities transactions electronically.

9. Foreigner participation shall be allowed trading in the Pre-Listing Board in accordance with the notification and directives issued by the Commission.

Sd/ Maung Maung Win

Chairman

Securities and Exchange Commission of Myanmar