



The Republic of the Union of Myanmar
Ministry of Planning, Finance and Industry
Securities and Exchange Commission of Myanmar

Instruction No.(2 /2019)

Additional Criteria for Securities Business License

24 December 2019

Introduction

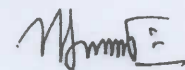
1. The Securities and Exchange Commission of Myanmar (the SECM) has announced the Criteria for Securities Business License as per Section 7 Sub-Section (A) of the Securities Exchange Law (the SE Law) on 14th January 2015.
2. The SECM issues the following additional Criteria for granting Securities Business License under the Section 24 of the SE Law and section 41 of the Securities Exchange Rule (the SE Rule).

Additional requirements

3. An applicant shall not be granted licenses if the applicant falls any of the followings:
 - (a) an applicant has been revoked any of Securities Business Licenses under the article 34 of the SE Law at least within the last five years.
 - (b) an applicant has been sentenced to a fine at least within the last five years for violating the provisions of the SE Law, the Myanmar Companies Law, the Financial Institutions Law or other laws specified in an instruction by the SECM
 - (c) an applicant has made arrangements with creditors, filed for bankruptcy or been adjudged bankrupt or had assets sequestered and not finished the restoration at least within the last five years
 - (d) an applicant whose additional business is found to be against public interest.
 - (e) an applicant who does not have a personnel structure sufficient to conduct business related to applying securities business licenses in an appropriate manner.
 - (f) an applicant whose intention is found to be using the same trade name that another securities company has already used or a trade name that may be misidentified as another securities company.

- (g) an applicant has conducted or prepared business in such a way as to be cast doubt on its competence and soundness of judgement.
- (h) In case of a natural person, an applicant has:
 - (aa) convicted, on indictment, of dishonesty, fraud, money laundering, theft or financial crime, or treated in the same manner in other jurisdictions within the last ten years;
 - (bb) sentenced to a fine or imprisonment for violating the provisions of the SE Law, the Myanmar companies Law, the Financial Institutions Law or other laws specified in an instruction by the SECM at least within the last ten years;
 - (cc) made arrangements with creditors, filed for bankruptcy or been adjudged bankrupt or had assets sequestered and not finished the restoration within the last ten years;
- (i) an applicant whose directors fall under sub-paragraph (h) of the Paragraph 3 of this Instruction.
- (j) an applicant whose major shareholders and their beneficial owners fall under any of Sub-paragraph(a) to (i) of the Paragraph 3 of this Instruction.

4. The Paragraph 3 shall apply when granting permissions for establishing and operating of stock exchange and over-the-counter market under the SE Law.



(Maung Maung Win)

Chairman

Letter No. SECM/Market Surveillance (2019/2019)

Dated: 24th December 2019

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