

Republic of the Union of Myanmar
Central Bank of Myanmar
(Foreign Exchange Management Regulations)
Notification No. 7/2014
Nay Pyi Taw, 7th Waxing Day of Thidingyut, 1376 M.E
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Amending Law

Foreign Exchange Management Regulations

Exercising the powers conferred under Section 49 (a) of the Foreign Exchange Management Law (2012, Pyidaungsu Hluttaw Law No. 12), the Central Bank of the Republic of the Union of Myanmar The following rules have been issued to be followed in conducting foreign exchange transactions for themselves and for themselves.

Chapter 1

Name and Definition

1. This regulation shall be called the Foreign Exchange Management Regulation.
2. The wording in this regulation shall be construed in accordance with the provisions of the Foreign Exchange Management Law. In addition, the following expressions shall have the following meanings:

Permissible transfer payment

- (a) **Permissible transfer** means remittance which can be permitted by the Central Bank of the Republic of the Union of Myanmar or under this Regulation.

Document marking evidence

- (b) **Document identification** means the documents requested by the foreign currency license holders to be considered as permissible transfers in respect of remittances.

Chapter (2)

Duties and Responsibilities of Foreign Exchange Business Licensers

Duties and Responsibilities of Foreign Exchange Business Licensers

- 3. The licensee of the Foreign Exchange Service shall be responsible for making sure that the relevant documents, either directly or indirectly, in connection with the relevant commercial transaction or in connection with the relevant commercial transactions, immediately or in advance, whenever any clause of this document is mentioned. Document identification documents are internationally recognized and accepted commercial procedures or accredited accounting procedures; According to trade or legal procedures, the most appropriate evidence shall be for the following purposes:
 - (a) Identification of type of relevant foreign exchange business, status and nature;
 - (b) Verification and obtaining proof of correctly applied and the correctness of the person for the application to make payment or remittance by the person resides in the Nation to the persons resides at the foreign country and verification and obtaining proof of correctly applied and the correctness of the person for the application for receiving or remittance by the person resides at the foreign country to the persons resides in the Nation;

- (c) Verification and obtaining evidence for the amount and the foreign currency or transfer process mentioned in paragraph (b) above and the period of settlement;
 - (d) Recording the information of the persons involved in the transactions in foreign currency transfer.
4. The holder of the Foreign Exchange Business License shall obtain and verify the agreement between the resident and the foreigner in writing when the transfer is made in foreign currency, in accordance with the provisions of Article 3 and in addition to that:
- (a) Original agreement in a formal letter signed by the parties themselves or their representatives;
 - (b) The associated documents and documents for such remittances are in accordance with generally accepted accounting procedures; Information that may support or supplement evidence for transfers from a commercial or legal point of view;
 - (c) Letter of approval for the relevant sale / purchase as supporting or supplementary evidence, export order receipts, shipping documents or other documents under various headings, transportation costs, remittance documents, insurance contracts, permits, licenses and / or transferable documents as the additional documents related to the remittance;
 - (d) the original and supporting or supplementary evidence of the Agreement are the minimum requirements to ensure that the relevant foreign currency transfer is carried out correctly in accordance with the sub-para (a), (b) and (c) of Paragraph 3.
5. If the holder of the foreign exchange business license does not formally record the agreement between the resident and the foreigner at the time of

making the transfer in foreign currency, the documentary documents relating to the foreign exchange business that we request and inspect under this regulation shall not be in violation of the provisions of paragraph 4 (b). The minimum supporting requirements for such supporting or supplementary documents are set out in above paragraph 3 (a), (b), (c) and (d) The main requirements for the relevant foreign exchange business shall be scrutinized.

6. The holder of a foreign exchange business license shall be entitled to Paragraph 3 when the original documents as per paragraph 4 and 5 are not available, a responsible copy of the documents, receipts can be accepted by fax or electronically.
7. If the holder of a foreign exchange business license has any doubts about the purpose and nature of the liaison when conducting foreign exchange business, he shall submit to the Central Bank of Myanmar for a decision.
8. Holders of Foreign Exchange Business License:
 - (a) After making the transfer in foreign currency, the letter “Certificate of transfer in foreign currency” shall be clearly stated on the identification document submitted by the contact person and returned to the contact person;
 - (b) A copy of the recommendation in sub-paragraph (a) shall be kept for at least five years so that it can be examined by the Central Bank of Myanmar;
 - (c) The transfers in sub-paragraph (a) shall be scrutinized and approved regularly as ordinary accounting transfers or capital account transfers.

Foreign currency balance to be maintained

9. The foreign currency licensee shall determine the amount of foreign debt to be paid and the amount of foreign currency prescribed by the Central Bank of

Myanmar from time to time according to the type of foreign currency. The foreign exchange balance arising from the calculation of foreign currency shall be maintained in accordance with the directives of the Central Bank of Myanmar.

Chapter 3

Resident bank account

Resident bank account

10. The holder of a foreign currency trading license may open a local foreign currency bank account as of the resident bank account in accordance with the following conditions:
 - (a) Kyats received in accordance with official foreign currency or permitted remittances shall be credited to the bank account only in foreign currency obtained and exchanged;
 - (b) According to this regulation and as per instructions issued from time to time by the Central Bank of Myanmar, you can only borrow money for local payments in exchange for kyat exchange and allowable remittances for domestic payments from that bank account.
11. A person who resides on the Nation must obtain the permission of the Central Bank when opening a foreign currency bank account abroad in accordance with the provisions of Section 14 of the Foreign Exchange Management Law.

Submission of the report by the residence person on the foreign currency transactions for the business in abroad

12. According to paragraph 11 above, the person who has opened a bank account in abroad must submit a monthly bank statement to the Central Bank.
13. The holder of a foreign currency trading license can open bank accounts in foreign banks and shall inform the balance of those bank accounts as prescribed by the Central Bank. The report must be submitted to the Central Bank from time to time.

Foreign currency lending to a residency of the Nation

14. The holder of a foreign currency trading license shall proof when issuing loans in foreign currency to a resident in the country, the borrower has a regular earning in foreign currency in accordance with the amount borrowed. Loans must be issued only after satisfactory evidence is verified. In addition, the disbursement of these loans is in accordance with the directives issued by the Central Bank. Loan procedures must comply with approved loan standards.

Foreign currency holders residing in the Nation

15. Each resident of the country has the right to hold up to US \$ 10,000 / - or more than the equivalent of the legal tender received within six months from the date of receipt. Foreign currency that has not been used for more than six months must be traded at the market price or deposited in a bank account with the foreign exchange license holder.

Chapter 4

Bank account of a person living abroad

Foreign currency bank account of a resident in abroad

16. The holder of a foreign currency trading license can deposit the following foreign currencies without the prior approval of the Central Bank and open a foreign currency bank account for a resident in abroad:
 - (a) Foreign currency received by transfer of official bank account from abroad;
 - (b) Foreign currency obtained from the exchange of kyats received by a foreigner in the country in accordance with the remittances permitted under this Regulation.
17. The holder of a foreign currency trading license may only be allowed to borrow from the bank accounts as per Paragraph 16 for the following purposes:
 - (a) repaying the foreign currency of another foreigner in accordance with the remittances permitted under this Regulation or transferring the official bank account to another foreign resident's bank account;
 - (b) Exchange of foreign currency received in Kyat according to the remittances permitted in accordance with this Regulation.

Bank account in Kyats of a foreigner

18. The holder of a foreign currency trading license can deposit only the kyats earned by exchanging foreign currency as per Paragraph 16 without the prior approval of the Central Bank and open a current account in Kyats for those living abroad. Overseas residents can use these Kyats to pay by bank transfer

to another resident or expatriate through the holder of a foreign currency trading license.

Chapter (5)

Ordinary Accounts transfers

Import of goods

19. The holder of a foreign currency trading license may submit the following documents and make import payments on their behalf:
 - (a) Delivery note sent by the seller;
 - (b) Customs Declaration issued by the Customs Department upon receipt of the goods by the Customs Department;
 - (c) Other required documents
20. Holders of foreign currency trading licenses may use an internationally accepted payment system agreed upon by their successors when making transfers in foreign currency.
21. Holders of foreign currency trading licenses are required to provide short-term bank loans, including trade finance, to bank affiliates in order to support international remittance payments in accordance with the banking regulations prescribed by the Central Bank or the provisions prescribed in this Regulation.

Advance payment

22. The holder of a foreign currency trading license may systematically approve the payment for goods and services after systematically verifying that the transfers are permissible in accordance with the provisions of this Regulation.

23. Holders of foreign currency trading licenses should be permitted only if the contactor clearly states that the advance payment is required for the following reasons:
 - (a) being a specially ordered product or service;
 - (b) being in accordance with trade procedures;
 - (c) the order can be confirmed only by advance payment;
 - (d) providing discount due to the advance payment.
24. The holder of a foreign currency trading license must compile the permitted advance payment statistics daily and submit them to the Central Bank and the Customs Department on the next working day of the permit.
25. The following must be done regarding unreasonable advance payment requests:
 - (a) The licensee of foreign currency trading business shall submit to the Central Bank for approval the unsolicited advance payment requests;
 - (b) The Central Bank may, after reviewing the documents identifying the document markings, find that they are correct and allow the payment to be made in advance.
26. The licensee of a foreign exchange trading business is entitled to patents, patents and patents based on the documents of the trademark. Patents; Trademarks Foreign currency transfers may be made in connection with business licenses and / or intellectual property (patents).

Travel expenses (vacation and business, medical expenses, tuition and fees, conference expenses, conference expenses)

27. The holder of a business license for trading foreign currency is allowed to transfer from home to abroad for medical treatment, tuition and exam fees, expenses for attending conferences and seminars or family members living abroad or expenses for living expenses of family members in abroad, up to

US \$ 10,000 / - or not more than the equivalent amount of other foreign currencies, by scrutinizing with the following factors to make remittance:

- (a) Proof of identity (Citizenship Verification Card) and reasons for remitting by an individual living in the country or a company;
 - (b) Evidence document related to the submitted expenditure.
28. Holders of foreign exchange trading licenses may be permitted to the local companies organizing the Trade Fairs by submitting the evidence documents by identifying the actual cost of the event, in accordance with the provisions of this Regulation.
 29. The holder of a foreign currency trading license shall inform to the Central Bank for the transfer of more than US \$ 10,000 / - or the equivalent foreign currency for the purposes of Paragraph 27.
 30. The Central Bank shall scrutinize and approve the submissions made under Paragraph 29 as per evidence documents.
 31. The holder of foreign currency trading license may be permitted to the foreign investors who are entitled to transfer their profit, dividends and interest by providing the evidence documents for the investments brought into Myanmar in connection with such remittances which are already reported to the Central Bank and when the document credentials can be verification results were found satisfactorily.
 32. The holder of a foreign currency trading license may scrutinize the tax clearance documents when the foreign employees request to be transferred of their official income earned in the country.
 33. If an investor under the Foreign Investment Law and the Special Economic Zone Law, the evidence documents submitted shall be in accordance with the provisions of the Foreign Investment Law and the Special Economic Zone Law, or if it is not applicable to the Foreign Investment Law and the Special

Economic Zone Law, in the case of investments under the Myanmar Companies Act, the documentary evidence submitted must be scrutinized by the holder of a foreign currency trading license to ensure whether it is compliance with the provisions of the Myanmar Companies Act.

- 34 The holder of a foreign currency trading license shall coordinate with the respective law enforcement organizations for monitoring and investigating if the transfer is suspected as fraudulent transfer made by one of the regular customers.

Chapter (6)

Ordinary accounting transfers

Export earnings

35. The holder of a foreign currency trading license must verify that the exporters have received the export earnings within three months from the date of shipment of the goods, in accordance with the export proof of the actual export.

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36. The licensee of a foreign currency trading business shall check whether the export earnings have been received as follows:
- (a) Export declaration submitted by the exporter with the actual value of the goods exported and the time of shipment confirmed by the exporter;
 - (b) Date of receipt of export earning.
37. The license holder of a foreign currency trading business is:

- (a) requesting the export declaration of the goods approved by the Customs Department for confirming the value and timing of the goods exported by the exporters;
 - (b) checking whether the receipt of the foreign currency transfer is correct or not that he has authorized against the original export declaration approved by the Customs Department and the received of actual export earnings.
38. The license holder of a foreign currency trading shall promptly report to the Central Bank together with a review of investigation and the export declaration that the exporter did not receive the export earnings within the stipulated period.
39. In the matter of export earnings for the export of goods have not been received by the Central Bank until the end of the permitted period, shall send to the Central Bank for the further investigation and the Central Bank shall refer the case to the relevant government departments and law enforcement organizations.
40. The license holder of a foreign currency trading shall follow the provisions of this Regulation for the bank transfer of export earning to any banks in Myanmar which has license for foreign currency trading when the exporters have received the export earnings.
41. The license holder of a foreign currency trading may exchange the foreign currency specified in Paragraph 35 for Kyats at the current exchange rate incurred and deposit the proceeds to the exporter's Kyat account opened at the same source by the exporter. The Kyat account balance can be calculated according to the identified document or this Regulation and it can also be used to repurchase foreign currency.

42. The license holder of a foreign currency trading must clarify for the ordinary accounts transfers which are not the transfers/receives of capital accounts by investigating the evidence documents.
43. The foreign currency trading license holder shall perform carefully for the receives of foreign currency transfer from abroad into the country at which such transfers is not obligatory for the resident or beneficiary to repay back the foreign currency.
44. The license holder of a foreign currency trading must comply with the foreign currency accounts of the local residents mentioned in paragraph 10 unless the bank account holders who have an account with them do not exchange their foreign currency for Kyats.

Chapter 7

Capital Accounts Transactions of Resident

Overseas investment

45. The license holder of a foreign currency trading shall apply for any investment capital transactions done in abroad to the Central Bank except for those transfers done by individuals up to US \$ 10,000 / - or equivalent amount of other foreign currency.
46. A resident of the country who wants to invest directly or indirectly in a foreign country can invest in any type of investment business, such as direct investment or contracts, portfolio investments or other investments or real estate acquisitions. The amount of funds to be invested and related information shall be reported to the Central Bank and getting approval of the Central Bank.

47. If the resident made any investment mentioned under Paragraph 46 before the enactment of this Regulation or any business done abroad prior to the enactment of this Regulation shall be promptly submitted to the Central Bank in accordance with the provisions of this Regulation.

Obtaining loans from abroad

48. A resident of the country must obtain prior permission in accordance with the instructions issued by the Central Bank from time to time whenever processing documents such as obtaining foreign loans or borrowing or obtaining loans from abroad.
49. A resident of the country shall, as per Paragraph 48, apply for the Central Bank's prior approval for obtaining foreign loans in accordance with the instructions issued by the Central Bank from time to time.
50. If the loan agreement and documents submitted together with the loan application applied by the resident is not clearly stated for obtaining a foreign loan under Paragraph 48, the purpose of getting loan, loan repayment terms and other information stipulated with the directives issued by the Central Bank from time to time.
51. While getting loan from foreign country as per Paragraph 48 by the resident, the confirmation for market reflected interest rate shall be submitted.
52. The license holder of a foreign currency trading must carry out the loan repayment and interest payment process only after verifying that the loan has been approved by the Central Bank of Myanmar for obtaining foreign loans under Paragraph 48.

Financial Institutions

53. The license holder of a foreign currency trading must inform to the Central Bank when the following financial institutions have requested to invest in foreign country:
- (a) Commercial banks and credit institutions;
 - (b) Investment organizations:
 - (i) Insurance companies;
 - (ii) Pension fund organizations;
 - (iii) Investments and investments with accumulated funds.

Unilateral transfers

54. The license holder for trading in foreign currency may allow to the individuals remitting from domestic to abroad and from abroad to domestic for following purposes up to a maximum of US \$ 10,000 / - or equivalent in the foreign currency:
- (a) Gifts;
 - (b) Donations;
 - (c) maintenance costs;
 - (d) Inheritance;
 - (e) Revenues from transfer of real estate;
 - (f) Other grants or aids other than the grants or aids authorized by the Union Government.
55. The license holder of a foreign currency trading must get approval from the Central Bank if the amount is up to US \$ 10,000 / - or more in equivalent foreign currency for the one-way remittance mentioned under Paragraph 54.

56. The license holder of a foreign currency trading must get approval from the Central Bank if the companies have requested to make remittance for the purposes mentioned under Paragraph 54

Chapter (8)

Capital Accounts Transactions of Resident from Overseas

57. Every time a foreign investor brings in the investment capital designated as an investment from abroad, it must submit to the Central Bank with proof that the transfer was made by bank account holder through a foreign currency trading license holder.
58. In accordance with the Foreign Investment Law and the Special Economic Zone Law, evidence document of the investments under the Myanmar Companies Act must be attached in accordance with the provisions of these laws.

Chapter 9

Exportation and Importation of Banknotes and Financial Instruments

Exportation and Importation of Banknotes

59. The following actions must be taken for the exportation and importation of banknotes:
- (a) The license holder of a foreign currency trading shall apply permission for the exportation and importation of banknotes from the Central Bank;
 - (b) The Central Bank may approve the request after scrutinizing the evidence document.

Carriage of Foreign Currency

60. A person who is living in the country or abroad, when entering to Myanmar or leaving from Myanmar, he/she shall declare to the Customs Department if he/she is carrying more than US \$ 10,000 / - or equivalent in foreign currency or checks or debenture or remittance certificates or traveler's checks or money orders or payment agreements or security exchange.
61. A foreigner can bring back foreign currency and monetary contracts from Myanmar with him / her, not exceeding the amount he / she brought with him / her when he / she entered to Myanmar.

Chapter (10)

Reports on Foreign Exchange Transactions

Reports

62. The foreign currency licensee shall report to the Central Bank for all foreign exchange transactions in accordance with the terms and conditions of the license.
63. When submitting the report in accordance with Paragraph 62 by the licensee of the foreign exchange trading, the form of report and content of the report shall be followed as per Orders, Notifications, Directives issued by the Central Bank from time to time by mentioning any foreign currency value.

Chapter 11

General

Electronic cards and online payments

64. Electronic Debit or Credit Cards or other electronic or online payments and transfers are subject to Electronic Banking Rules and Regulations and must comply with the Mobile Banking Directive and this Regulation.
65. The license holder of a foreign currency trading shall scrutinize the request of the e-card holders to top up the cards in accordance with the provisions of this Regulation. This shall be done after verification.

Importing jewelry

66. A resident going abroad for business or on duty or other purposes and who wear jewelry for oneself shall not be exceeded for ten million kyats either for short-term and long-term travel and shall declare to the Customs Department to bring back the said jewelry when he/she comes back to Myanmar.
67. Visitors to Myanmar can bring back the jewelry they brought with them when they enter Myanmar after declaring at the Customs Department, by proofing the original documents issued by the Customs Department.

International Transfers

68. The license holder of a foreign exchange trading shall make ordinary foreign transfers from domestic to domestic or from domestic to international and from international to domestic or domestic capital transfers in foreign currency only.

Transfers in Kyats

69. The license holder of a foreign exchange trading may obtain a permit from the Central Bank of the Republic of the Union of Myanmar. If there is no credential of the document, transfers can only be made in Kyats.

Financial protection

70. The foreign currency trading licensee may provide a precautionary measure against the risk of financial loss to the resident based on the following circumstances:

- (a) Importers: The business / company has been thoroughly scrutinized regarding the promised foreign currency transfer. Pre-protection can be arranged to make payment within the stipulated period as promised. Certified document identification certificates shall be issued to the holder of a foreign currency trading license;
- (b) Exporters: The fact that the business / company is real has been verified and the foreign exchange repayment situation has been verified. Advances can be made to get what is available within the promised period. Certified document identification certificates shall be issued to the holder of a foreign currency trading license.

Transfer of securities

71. The licensee of a foreign exchange trading shall transfer the securities within the State and between the State and other countries in accordance with the Securities Exchange Law and shall act in accordance with the provisions of the Rules.

Compliance with the law

72. The holder of a foreign exchange business license shall comply with the Central Bank of Myanmar Law, Foreign Exchange Management Law, Anti-Money Laundering Law, Rules and regulations enacted under the Anti-Terrorism Law and any existing laws, Rules and Regulations, Orders, Notifications, Directives and Procedures.

(Sd/-) Kyaw Kyaw Maung

Chairman

Central Bank of Myanmar