

The State Law and Order Restoration Council
The Financial Institutions of Myanmar Law
(The State Law and Order Restoration Council Law No. 16/90)
The 13th Waxing Day of Waso, 1352 M.E.
(4th July, 1990)

The State Law and Order Restoration Council hereby enacts the following Law:-

Chapter I
Title and Definition

This Law shall be called the Financial Institutions of Myanmar Law.

2. The following expressions contained in this Law shall have the meanings given hereunder:-

- (a) **Financial Institution** means an enterprise established in the State, whose corporate purpose is intermediation on the money or capital markets through the collection of financial resources from third parties for investment on their own account in credit operations, credit and public debt instruments, securities, or other authorized financial activities;
- (b) **Central Bank** means the Central Bank of Myanmar;
- (c) **Board** means the Board of Directors of the Financial Institution;
- (d) **Chairman** means the Chairman of the Board of Directors of the Financial Institution;
- (e) **Member** means the member of the Board of Directors of the Financial Institution.

Chapter II
Establishment

- 3. (a) The Financial Institutions other than those specifically established under this Law shall be established as limited liability company in accordance with the Myanmar Companies Act as well as with the Special Company Act, 1950;
- (h) This Law shall apply to the financial institutions.

4. The shares and stock any financial institution, with or without voting rights, shall be registered. Preferential shares shall not be converted into share or stock with voting rights.

5. Financial institutions and the services they provide shall be classified as follows:-

- (a) the Commercial Banks;
- (b) the Investment or Development Bank;
- (c) the Finance Companies;
- (d) the Credit Societies.

- 6. (a) Commercial Banks shall engage primarily in the collection of demand deposits with chequing privileges and time deposits with terms not more than one year, and in short-term credit operations;
- (b) Investment or development banks whose operations shall primarily include the acceptance of time deposits with terms exceeding one year and financing of fixed or working capital at terms consistent with the terms of the resources collected by such banks or funds provided by the Government;
- (c) Finance Companies shall engage primarily in financing the purchase of goods or services with funding other than deposits from the public;
- (d) Credit Societies shall engage primarily in financing to individuals who are members for consumption, production or commerce, using funds collected in members accounts.

7. Transactions in deposit accounts maintained with Credit Societies may be made without prior notice. Provided that chequing privileges shall not be allowed in withdrawing from such account. Such deposit account shall have the right to bear interest as long as no withdrawals are made during periods prescribed by the Central Bank.

9. The Central Bank may permit a financial institution to engage in more than one of the activities contained in Section b.

10. Financial institutions shall have no right to become directly or indirectly involved in activities other than those prescribed specifically to operate. Provided that other activities in support of financial services permitted by the Central Bank may be undertaken.

11. (a) The paid-up capital of financial institutions shall be paid in cash:

- (b) Financial institutions shall deposit with the Central Bank the fully paid-up Capital. Such paid-up capital shall be released only upon conclusion of the licensing process;

- (c) Subject to compliance with the terms and conditions prescribed by the Central Bank, the capital of the financial institution may be increased through the establishment of reserves, including those resulting from the revaluation of fixed assets;
- (d) A financial institution shall set aside 25 per cent of its net profits, as prescribed by the Central Bank, in a general reserve account until this account reaches 100 per cent of its paid-up capital. The Central Bank may also require financial institutions to make additional provisions against specific assets. Financial institutions may also make additional provisions on their own initiative.

Chapter III **Licence to Operate**

12. Financial institutions, whether State-owned, jointly owned by State and private or private shall obtain the prior sanction from the Central Bank to perform the functions.

13. (a) The permission to operate in the State as a financial institution with foreign capital, or as a branch of a foreign bank may be granted by the Central Bank in accordance with Section 14;

(b) The permission to open in the State as a representative office of a financial institution established abroad may be granted by the Central Bank. Provided that such representative office shall not perform any of the functions prescribed for financial institutions.

14. (a) A financial institution's licence to operate may be granted by the Central Bank after scrutinizing the application form prescribed by the Central Bank duly filled in together with the feasibility study. Such feasibility study shall contain the following:

- (i) a market for the services to be performed and interest on the part of the community to be served;
- (ii) the money resources required and how they may be acquired;
- (iii) the anticipated profit to be gained by the proposed institution;
- (iv) the qualifications and technical competence of management;
- (v) the types of financial services that the applicant would like to undertake;

(b) The financial institutions shall not be granted licence to operate unless they deposit their fully paid-up capital with the Central Bank;

(c) A licence shall not be granted if, in the Central Bank's opinion, the name chosen for the institution might mislead the public regarding the true nature of its shareholders or activities;

(d) Within three months from the date of receipt of a complete application, the Central Bank shall grant or deny the licence;

(e) Within 15 days from the date when the licence is granted, the financial institution shall pay to the Central Bank a licence fee amounting to 0.1 per cent of the initial paid-up capital;

(f) When granting or withdrawing a licence to operate as a financial institution, the Central Bank shall publish it in the Myanmar Gazette.

15. The Central Bank shall determine the minimum capital requirements for new institutions, relying on their proposed location and financial activities.

16. (a) The licence to operate shall be granted without limit to its duration;

(b) The licence to operate shall not be transferable;

(c) Financial institutions shall commence their operations within one year from the date of receipt of their licence to operate.

17. If the following situation occurs, the Central Bank shall withdraw the licence to operate:-

- (a) failing, within the period specified, to deposit the modified minimum capital requirements prescribed for the financial institutions;
- (b) failing, within the period specified, to restore the minimum capital required following losses in business;
- (c) failing, within the period specified, to refrain from activities which violate the existing laws or fail to comply with the terms, and conditions prescribed by the authorities;
- (d) liquidating voluntarily or involuntarily or bankruptcy;
- (e) extinguishing of the original legal entity as a result of a merger, amalgamation or division.

18. (a) The merger, amalgamation or division of a financial institution shall obtain the prior sanction from the Central Bank;

(b) Approval of merger, amalgamation or division under sub-section (a) shall be granted only if the emerging financial institution has been granted a licence by the Central Bank;

(c) The transfer, in one or more transactions, of any block of shares representing more than 15 per cent of the capital of a financial institution shall obtain the prior sanction from the Central Bank.

19. The establishment of the branches, agency offices and other similar offices of the financial institutions or change in location of branches, agency offices and other similar offices shall obtain the prior sanction of the Central Bank.

20. Unless otherwise permitted by the Central Bank in particular case, the branches, agency offices and other similar offices of financial institutions shall be opened for business to the public during such hours and on such days as prescribed by the Central Bank.

Chapter IV Management

21. Financial Institutions shall be administered by the respective Board. The Board may delegate its powers to the officers of the financial institutions concerned
22. Financial institutions shall draft the memorandum of association and articles of association. A copy thereof shall be sent to the Central Bank.
23. Any amendment to the memorandum of association and articles of association of the financial institutions shall only be amended after obtaining the prior sanction from the Central Bank.
24. The Central Bank may prescribe the required qualification of the members of the financial institution.

Chapter V Functions, Duties and Powers

25. Subject to the approval of the Central Bank, financial institutions may engage in the following functions:-
- (a) borrowing or raising of money;
 - (b) lending or advancing of money either upon or without security;
 - (c) drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, promissory notes, drafts, bills of lading, railway receipts, debentures, and other documents of title and debt securities, whether negotiable or not;
 - (d) granting and issuing of letters of credit and travelers cheques;
 - (e) buying, selling and dealing in bullion and species;
 - (f) buying and selling of foreign exchange including foreign bank notes;
 - (g) purchasing and selling of bonds or other forms of securities on behalf of customers;
 - (h) receiving securities or valuables for safe custody;
 - (i) collecting and transmitting money and securities;
 - (j) acting as agents of local governmental authorities or the Central Bank;
 - (k) providing guarantees for extensions of credit and performance of business et cetera;
 - (l) financing or assisting in financing any business undertaking, either existing or new, through syndicates or otherwise;
 - (m) undertaking trust business and the administration of estates as executor or trustee;
 - (n) acquiring shares in a licensed financial institution or acquiring an equity interest in other institution in accordance with this Law;
 - (o) undertaking other financial services activities.
26. Financial institutions may, without the approval of the Central Bank, engage in the following activities:-
- (a) managing and disposing all properties, movable and immovable, which come into the possession of institution in full satisfaction or partial satisfaction of any of its claims;
 - (b) establishing associations or funds or trust for the benefit of personnel or ex-personnel of its institution or their dependents; supporting or contributing donations to them; granting pensions and allowance to them and making payments towards employee benefit insurance;
 - (c) acquiring, disposing, constructing and maintaining the building required for the institution.
27. Financial institutions shall be prohibited from issuing bonds which might result in the holders of such bonds exercising a right to manage the institution concerned.
28. In carrying out credit operations, financial institutions shall comply with the principles of risk avoidance, diversification and liquidity, as well as with directives issued by the Central Bank.

Explanation

Any operations requiring the institution to deliver or to assume the risk of having to deliver financial assets in exchange for a claim, shall be considered credit operations. Such credit operation includes loans or advances, discounts of bills of exchange, lines of credit, payment orders and guarantees.

29. Financial institutions shall acquire and keep the legal documents for the respective credit operation:
- (a) the loan application and the documents in which the borrower indicates the use to be made of the borrowed funds, and the legal status of and value assigned to the guarantees provided;
 - (b) the financial records of the borrower and the guarantors which served as the basis for the operation;
 - (c) the decision of the department concerned, manager or deputy approving the operation, with the signature of the person or persons responsible for the decision, and in the case of a group decision, a copy of the minutes of the meeting at which the transaction was approved.

30. (a) Financial institutions may get permission from the Central Bank an exemption to necessary documentation under Section 29 or to simplify the registration requirement for operation involving small amount;
(b) Financial Institutions may get permission from the Central Bank an exemption to documentation or to simplify the registration requirement for the discount or pledge of commercial papers approved by the branch managers, agency offices, and other similar offices within the limits of their power under Section 29.

31. (a) The relation between the risk-weighted assets and the capital and reserves of a financial institution shall not exceed ten times.

Explanation

Risk-weighted assets are the weighted sum of the assets of the financial institution in which each type of assets is weighted by a factor.

(b) The financial institutions shall comply with the value of the factor applying to each type of asset and the method of calculation as prescribed by the Central Bank from time to time.

32. Financial institutions shall not lend more than 10 per cent of their capital plus reserves to a single individual, an enterprise, or an economic group, and none of their 10 largest debtors, including economic groups, shall account for more than 30 per cent of their total loan portfolio.

33. In carrying out lending and borrowing operations, financial institutions shall protect their liquidity and comply with the terms and conditions prescribed for this purpose by the Central Bank.

34. Financial institutions shall regularly notify their customers of the terms and conditions associated with their deposits and loans, including the annual rate of interest and the calculation method used. The Central Bank shall determine the intervals at which such declaration shall be made and the forms to be used.

35. Financial institutions shall not directly or indirectly purchase shares, become a partner, or acquire an interest amounting to more than 10 per cent of the equity of projects or enterprises, or be under common ownership or otherwise associated with enterprises other than licensed financial institutions.

36. The prohibitions contained in Section 35 shall not apply in the following cases:-

- (a) acquisition of shares or other interests for the loans granted;
- (b) acquisition of shares or other interests as an agent;
- (c) acquisition of shares or stock for the purpose of resale to third parties.

37. Financial institution shall dispose of all shares and interests acquired for the loans within one year from the date of receipt unless an extension is granted by the Central Bank.

38. Financial institutions shall be prohibited from:-

- (a) entering into contracts or agreements or adopting practices of any kind which would secure them a position of dominance on the money, financial or exchange markets;
- (b) engaging in manipulative practices in order to obtain an unfair advantage for themselves or for third parties.

Chapter VI

Business with Persons related to the Financial Institutions

39. Financial institutions may carry on business with the following related persons only in accordance with this Law:

- (a) the administrators, such as the members and departmental managers;
- (b) the members of the Audit Committee;
- (c) companies controlling the financial institution concerned by owning majority shares thereof and the principal shareholders or administrators of such companies;
- (d) members, members of Audit Committee, administrators, departmental managers or wife, husband, sons and daughters or first cousin relatives of the principal shareholders of the financial institution concerned controlling the company by owing majority shares thereof;
- (e) companies in which one of the persons contained in sub-sections (a) (b) (c) and (d) has a direct or indirect equity interest equal to or exceeding 10 per cent of the equity capital;
- (f) principal shareholders of the financial institution and any company under their direct or indirect control.

Explanation

The principal shareholder contained in this section means the beneficial owner of more than 10 per cent equity interest of the company, partnership or financial institution.

40. Legal entities controlling the public financial institution or a financial institution jointly owned by public financial institution and private financial institution and the administrators of such institutions, as well as legal entity directly or indirectly controlled by such administrators and its administrators shall be deemed to be persons related to the financial institution.

41. Persons related to any of the institutions making up a financial group shall also be deemed to be related to each of the institutions in the group.

42. Financial institutions shall not grant the following special privileges to related persons:

- (a) carrying out business which, by its nature, aim, characteristics, or risk, would not be carried out by the institution with other customers;
- (b) collecting interest, fees, or other charges or accepting guarantees which are lower than those required of other customers.

43. (a) Financial institutions shall do business with related persons only if so permitted by the Board based on a report of the departmental managers. A description of the relationship involved, an analysis of the transaction concerned and of the financial situation and income of the applicant, and an assessment of the applicant's credit worthiness shall be included in the departmental managers' reports;

- (b) Members having interest in the matter submitted to the Board or members who are related by marriage, blood, or by being son or daughter, or having interest in a business with a person associated with the financial institution shall be required to leave the meeting during the time in which the Board is deliberating on the matter submitted to it;
- (c) The maximum amount lent to a personnel of a financial institution shall be as prescribed by the Central Bank from time to time;
- (d) The total amount lent to personnel by a financial institution should not exceed 5 per cent of its capital.

Chapter VII

Auditing, Reporting and Supervision by Central Bank

44. Subject to the approval of the Central Bank, an auditor shall be appointed to each financial institution. Provided that in the case of financial institutions in which the Government owns shares, an auditor shall be appointed to each financial institution under Section 145A of the Myanmar Companies Act.

45. The auditor of a financial institution shall have the following duties and responsibilities:-

- (a) preparing for the Central Bank and the Board or manager in the case of a branch of a foreign bank a report on the balance sheet and profit and loss account, and to deliver his opinion as to whether the financial statements in such report adequately reflect the financial position of the institution and its solvency;
- (b) informing the Central Bank and the Board or manager in the case of a branch of a foreign bank of any irregularities and deficiencies observed in the operations and accounts which could result in material losses for the institution.

46. Financial institutions shall be required to prepare periodic reports using the forms prescribed by the Central Bank, providing sufficient information on their administrative and operational status, liquidity, solvency, and profitability for an assessment of the stability of and trends in their financial position. The reports shall be prepared in accordance with the accounting standards prescribed by the Central Bank for financial institutions.

47. The auditor's report and the balance sheet for the financial year shall be published in the manner as prescribed and approved by the Board and the shareholders, for public information.

48. All financial institutions shall be subject to inspections by the Central Bank inspectors or by auditors appointed by it. In their inspections of financial institutions, the Central Bank and its auditors may:-

- (a) examine the accounts and related documents, the books, and other documents;
- (b) ask supervisors, administrators, agents, and personnel of the institution for information on any matter relating to its organization and operation.

49. The Central Bank may require that a financial institution shall have an Audit Committee consisting of 3 members appointed by the shareholders. The Audit Committee shall:-

- (a) monitor compliance with the laws applicable to the financial institutions and submit to the Board such matters as it feels should be reported;
- (b) give opinion on any matters forwarded to it by the Board.

50. The Audit Committee shall meet ordinarily once in three months and extraordinarily when convened by the Board. All members of the Audit Committee shall be present at such meetings and shall be no abstention from voting. Decisions shall be taken by majority votes of the members.

51. Financial institution may appoint or hire experts to assist the Audit Committee in connection with activities contained in Section 49.

Chapter VIII

Administratorship

52. In the event that the financial position of a financial institution should indicate that it is not in compliance with the minimum requirements for operating in the market, thus placing the deposits and investments of its customers at risk, the Central Bank may, by decision of its Board of Directors, require any institution to be under administratorship in order to restore the situation of the institution to normal. In appointing the administrator, the officer of the Central Bank or other suitable person may be appointed.

53. The order deciding to appoint the administrator shall contain the following:-

- (a) the reasons for appointing the administrator;
- (b) the name of the administrator;
- (c) the duration of the administration;
- (d) the right to suspend the withdrawal of deposits or Customers' funds in the financial institution;
- (e) measures including sequestration of the property owned by the members and officers of the financial institution to ensure payment of possible losses to third parties.

54. In appointing the administrator the Central Bank may, during the period of the administratorship, suspend the terms of office of members and officers of the financial institution. Such persons shall return to their duties only if they are not disqualified by the Central Bank:

55. The administrator shall have full managerial powers and shall have authority to close the branches, agency offices, and other similar offices. In addition, to adopt any measures required to normalize the situation of the financial institution including dismissal of personnel deemed to be unfit to perform their duties by him.

56. If in the opinion of the administrator the full rehabilitation of the financial institution is necessary, he may at any time declare deposits and investments by the public in the financial institution to be totally or partially blocked for a maximum period of one year. Provided that measures are taken which shall preserve the approximate value of these deposits and investments.

57. During the administratorship, the Central Bank may provide financial support to the financial institution under conditions to be prescribed in order to provide for any temporary liquidity deficiency.

58. If during or at the end of the administratorship the Central Bank is of the opinion that the reorganization of the financial institution to be more costly than its dissolution, it shall apply to the court to declare such financial institution insolvent and to permit liquidation in accordance with law.

59. The administrator shall give priority to the funds provided by the Central Bank during his administratorship over other liabilities of the financial institution. The members and officers of such financial institution shall be personally liable up to the amount required for full satisfaction of the liabilities of the financial institution.

60. The administratorship shall:-

- (a) cease at the end of the term established if there is no extension by the Central Bank or if the Central Bank is of the opinion that the financial institution is capable to operate normally;
- (b) cease upon liquidation of the financial institution.

61. In the circumstances provided in the sub-section (a) of Section 60, a further condition for the cessation of the administratorship shall be the repayment or the Central Bank agreement to a scheduled repayment of the funds provided to the financial institution by the Central Bank.

Chapter XI

State-owned Financial Institutions

62. (a) The following financial institutions shall be deemed to have been established under this Law:

- (i) The Myanmar Economic Bank;
- (ii) The Myanmar Foreign Trade Bank;
- (iii) The Myanmar Investment and Commercial Bank;

- (b) The Government may, apart from the financial institutions contained in sub-section (a), also establish other financial institutions;
- (c) The provisions of this Chapter shall apply only to the financial institutions contained in sub-sections (a) and (b).

63. (a) The authorized capital of each Bank shall be prescribed as one million ordinary shares of kyats 1,000 each;

- (b) The number of shares and value of the initial capital to be subscribed by the Government for each Bank shall be as follows:

		Number of shares	Value (in million kyats)
(i)	The Myanmar Economic Bank	140,000	140
(ii)	The Myanmar Foreign Trade Bank	60,000	60
(iii)	The Myanmar Investment and Commercial Bank	60,000	60

- (c) The Government may, from time to time, increase the authorized capital or paid-up capital if it owns not less than 50 per cent of the share of a Bank. The Government shall increase the said capitals if it owns less than 50 per cent of the share of a Bank in accordance with the existing laws;
- (d) The Government shall by notification prescribe the number of shares and value of capital for the financial institution established under sub-section (b) Section 62.

64. (a) Banks shall be administered by each Board of Directors;
- (b) The respective Banks shall perform the functions, duties and powers as contained in this Law.

65. The Board shall be constituted with a minimum of 7 members. The Board shall consist of the following members:-

- (a) 6 members appointed by the Government;
- (b) members elected by the shareholders.

66. (a) The Government shall be entitled to appoint 6 directors, including the Chairman, if it owns not less than 50 per cent of the share of a Bank. If the Government owns less than 50 per cent, it shall vote for its shares at the election of members like other shareholders of the Bank;

(b) For the election of members, each shareholder shall be eligible to cast a number of votes that corresponds to the number of shares that he owns at the election record date multiplied by the number of members to be elected. Such votes may be cast for one or more members. The positions of the members to be elected shall be filled with ones who receive a greater number of votes;

(c) Unless the Chairman is appointed, the members shall elect the Chairman from among themselves;

(d) The term of office of the Chairman shall be 5 years and the term of office of the other members shall be 3 years. Such persons shall be eligible for re-appointment for more than one term;

(e) The Chairman shall devote his whole time to the function and duties of the Bank, and shall not hold any other remunerated employment;

(f) The Board shall assign an officer of the Bank as Secretary of the Board;

(g) The following persons shall not be appointed as a member:

- (i) Pyithu Hluttaw representative;
- (ii) salaried personnel of the Government and any organization subordinate to the Government;
- (iii) a member or an employee of any financial institution;
- (iv) a person who is not a citizen;

(v) a person who has been declared as adjudicated insolvent or who has suspended payments of liabilities or who has entered into a settlement with his creditors before the court. Provided that the Government may, if it owns not less than 50 percent of the share of a Bank, exempt any person contained in the provisions of clauses (i) and (ii) if there is special reason.

67. The Chairman or a member shall cease to be member if he or she:-

(a) infringes the restrictions mentioned in sub-section (g) of Section 66;

(b) is convicted of any offence prescribed by the Ministry of Planning and Finance;

(c) resigns with the permission of the Government. if appointed by it, or otherwise resigns with the permission of the Board;

(d) is adjudged incapable of performing his or her duties by the authority concerned, if appointed by the Government, or otherwise by two-thirds of the members;

(e) has failed to attend the Board meeting for three consecutive months without leave from the Board.

68. Any vacancy of any member shall be filled for the unexpired term of office within 6 months from the date of occurrence of the vacancy.

69. The Board meeting shall be conducted as follows:-

(a) the meeting of the Board shall be convened at least once a month. Special meeting may be convened on due notice by the Chairman or by a minimum of two members;

(b) more than half of the members attending the meeting shall constitute a quorum;

(c) in the absence of the Chairman, any member elected by other members shall preside at the meeting;

(d) decisions shall be adopted by the majority of the votes of the members present, unless articles of association should otherwise provide. In the event of an equality of votes, the decision shall be adopted by the casting vote of the Chairman of the meeting.

70. (a) If the Government owns not less than 50 per cent of the share of a Bank:
(i) the Chairman shall be entitled to receive salary and allowances in accordance with the terms and conditions proposed by the Board and determined by the Government. Such salary and allowances shall be borne by the Bank;
(ii) the members shall be entitled to receive remuneration proposed by the Board and determined by the Government. Such remuneration shall be borne by the Bank;
(b) If the Government owns less than 50 per cent of the share of a Bank, the salary and allowances of the Chairman as well as the remuneration of the members shall be in accordance with the decision of the Board.
71. (a) The chief executive officer and personnel shall be appointed by the Board concerned. Provided that if the Government owns not less than 50 per cent of the share of a Bank, the chief executive officer shall be appointed with the approval of the Ministry of Planning and Finance;
(b) If the Government owns not less than 50 per cent of a Bank, the Chairman and employees of such Bank are public servants.
72. If the Government owns not less than 50 per cent of the share of a Bank, the provisions of the Myanmar Companies Act shall not apply to such Bank.
73. Banks are permitted to operate the functions in accordance with this Law and shall be exempt from the licensing requirements of Sections 12 through 16, and from the administration requirements of Sections 22 and 24.

Chapter X

Offence and Punishment

74. The financial institutions, its members, shareholders, administrators, managers and personnel who violate any of the provisions of this Law shall be subject to the following administrative penalties:-
(a) warnings;
(h) orders including those restricting the operations of financial institutions;
(c) fines;
(d) temporary or permanent termination from duties in the financial institution;
(e) cancellation of the licence to operate.
75. Any person or any legal entity violates any of the provisions of this Law by carrying out the activities prescribed under this Law to be performed only by financial institutions shall be subject to the similar administrative penalties.
76. The imposition of administrative penalties provided in Section 74 shall be decided by the department concerned of the Central Bank responsible for the supervision of financial institutions. The person against whom action is taken shall have the full right to defend. In addition, the person against whom action is taken shall have the right of appeal to the Board of Directors of the Central Bank, within 30 days from the date the penalty order is received. During the appeal period the penalty shall be suspended in accordance with the directives issued regarding this matter. In the administrative sector the decision by the Board of Directors of the Central Bank shall be final.
77. The administrative penalties provided in this Law shall not preclude taking criminal action or civil action.
78. Imposition of the penalty provided in Section 74 shall make the party guilty of the offence immediately liable to pay for any damages caused to the institution or to other parties.
79. The members, personnel and external auditors of the financial institutions shall not, without permission under the law, disclose or publish information which they have learned in the performance of the financial activities and services, or allow such information to be seen or examined by another person.
80. No person shall carry out the activities of the financial institution without a licence to operate granted by the Central Bank.
81. Whoever violates any provision of punished with fine which may extend to for a term which may extend to 2 years
82. Whoever violates any provision of punished with fine which may extend to for a term which may extend to 5 years Section 79 shall on conviction be kyats 10,000 or with imprisonment or with both. Section 80 shall on conviction be kyats 50,000 or with imprisonment or with both.
83. The members, personnel and auditors of the Banks mentioned in Section 62 shall be punishable under the Official Secrets Act if

such persons without permission, disclose or publish information which they have learned in the performance of the financial activities and services, or allow such information to be seen or examined by another person.

Chapter XI

Miscellaneous

84. Movable and immovable properties belonging to the Myanmar Investment and Commercial Bank, and that of the Myanmar Economic Bank and the Myanmar Foreign Trade Bank established under the Bank Law (Pyithu Hluttaw Law No. 9, 1975) operations in the process of execution, operations which have been completed, assets and liabilities shall devolve respectively on such Banks.

85. Management Committee of the respective Banks mentioned in sub-section (a) of Section 62 shall have the right to carry out the operations until the day the duties and responsibilities are handed over to the succeeding Board of Directors under this Law

86. This Law shall not apply to the Myanmar Agricultural and Rural Development Bank, unless the Government, by notification shall so provide from time to time with regard to this Law.

87. Offences prosecuted under this law are prescribed as cognizable offences.

88. In taking legal action under Sections 81 and 82 the prior sanction of the

89. The respective Banks mentioned in sub-section (a) of Section 62 may continue to exercise the powers and perform the duties and responsibilities in accordance with the provisions of the Bank Law (Pyithu Hluttaw Law No. 9, 1975) within the transitory period, in cases where it cannot commence the exercise of powers and the performance of duties and responsibilities assigned under this Law.
Provided that such transitory period shall be as determined by the Ministry of Planning and Finance.

90. If the Government owns not less than 50 per cent of the share of a Bank, the Banks mentioned in Section 62, article 149 of the First Schedule to the Limitation Act shall apply to all legal proceedings instituted by such Banks.

91. For the purpose of carrying out the provisions of this Law:

- (a) the Ministry of Planning and Finance may, with the approval of the Government, issue rules and procedures;
- (b) the Central Bank may issue regulations, bye-laws, orders and directives.

Sd./ Saw Maung
Senior General
Chairman
The State Law and Order Restoration Council