

Central Bank of Myanmar Law
(Pyidaungsu Hluttaw Law No. 16 / 2013)
The 4th Waxing Day of Waso, 1375 M.E.
(11th July, 2013)

Pyidaungsu Hluttaw hereby enacts this Law.

CHAPTER I

Title and Definition

1. This Law shall be called the Central Bank of Myanmar Law.
2. The following expressions contained in this Law shall have the meanings given hereunder:-
 - (a) **State** means the Republic of the Union of Myanmar;
 - (b) **Government** means the Union Government of the Republic of the Union of Myanmar;
 - (c) **Ministry** means the Union Ministry of Finance and Revenue;
 - (d) **Central Bank** means the Central Bank of Myanmar established under this Law;
 - (e) **Bank** means a bank established under the Financial Institutions of Myanmar Law;;
 - (f) **Financial Institution** means a financial institution established under the Financial Institutions of Myanmar Law;

- (g) **Currency Notes** means the currency notes issued by the Central Bank under the provisions of this Law or legal tender currency notes previously issued;
- (h) **Coin** means coins issued by the Central Bank under the provisions of this Law and coins previously issued;
- (i) **Foreign Exchange** includes the following:
 - (i) foreign currency in cash;
 - (ii) payment instruments payable in foreign currency cash or payable abroad;
 - (iii) deposits in intergovernmental financial institutions, central banks, treasuries and commercial banks abroad;
 - (iv) instruments used for the international transfer of funds;
 - (v) foreign currency accounts opened and maintained in domestic banks.
- (j) **Gold** means gold bars, bullion and gold coins of certified fineness acceptable in the international transactions;
- (k) **Currency in Circulation** means the currency in circulation with the exception of currency notes and coins held by the Central Bank;
- (l) **General Reserve Fund Account** means an account created with an initial contribution from the State and at the end of each year, a certain portion of net profit shall be allocated to the account until it amounts to 100 per cent of the paid- up capital of the Central Bank
- (m) **Special Reserve Fund Account** defines as an account created by the Central Bank for some specific purpose.
- (n) **Discount Rate** means the interest rate charged by the Central Bank on the short-term loans borrowed by the eligible banks and

financial institutions at the discount window facility against the securities as collateral.

- (o) **Reserve Requirement or Reserve Ratio** defines a Central Bank regulation that sets the minimum fraction of customer deposits that commercial banks and saving banks are required to deposit at the Central Bank;
- (p) **Year** means the financial year of the State;
- (q) **Person** includes any individual, or organization incorporated.

CHAPTER II

Establishment, Aim and Objective

3. The Central Bank of Myanmar is established under this Law as a legal entity having perpetual succession, capable of suing and being sued in its own name.
4. The Head Office of the Central Bank shall be in Nay Pyi Taw. The Central Bank may, with the approval of Board of Directors, open branches and agencies inside or outside the State.
5. The aim of the Central Bank shall be to preserve and maintain the domestic price stability.
6. The Central Bank shall, in accordance with its aim, also endeavor to attain the following objectives:
 - (a) to promote monetary stability
 - (b) to enhance financial system stability;
 - (c) to develop efficient payments and settlement system,
 - (d) to support the general economic policy of the Government conducive to the sustained economic development.

7. For the successful achievement of its aim and objectives, the Central Bank shall have autonomy and may exercise all the powers conferred upon in carrying out the functions under this Law.

CHAPTER III

Organization and Management

8. The Central Bank shall be governed by a Board of Directors.
9. (a) The Board shall be constituted with nine members appointed by the President with the consent of Pyidaungsu Hluttaw as follow:
 - (1) the Governor of the Central Bank Chairman
 - (2) three Deputy Governors of the Central Bank Member
 - (3) five other persons of recognized professional Member
appointed by the Government
- (b) The term of office of the Governor shall be 5 years. The term of office of the other members shall be 4 years. Such Chairman and members of the Board shall not be eligible for serving more than two consecutive terms;
- (c) The Governor and the Deputy Governors shall devote their whole time to the functions and duties of the Central Bank and shall not engage in any other remunerated employment;
- (d) The Board shall assign an officer of the Central Bank as Secretary of the Board.
- (e) The Governor, the Deputy Governor and members shall have experience and professional standing in the field of central banking, economics, money and banking, law , accounting and auditing;

- (f) The Board members shall disclose fully to the Board their pecuniary or business interest and those of the members of their families.

10. A persons shall not be appointed as a member of the Board if the person is:

- (a) a person who is not a citizen;
- (b) the spouse, parent, son, daughter, brother and sister of a board member;
- (c) staff and directors of a company or a partnership firm, or a principal shareholder who owns more than 5 per cent of total equity interest in a company or a partnership firm;
- (d) staff and directors of a bank or a financial institution , or a principal shareholder who owns more than 5 per cent of total equity interest in a bank or financial institution.

11. The Governor and the Deputy Governor shall be entitled to receive remuneration and allowances prescribed by the Board. Such remuneration and allowances shall be borne by the Central Bank.

12. The other non-executive members shall be also entitled to receive remuneration and allowances prescribed by the Board. Such remuneration and allowances shall be borne by the Central Bank.

13. If a Hluttaw representative or salaried personnel of the Government is appointed as a member of the Board of Directors, such person shall be deemed to have resigned from his or her seat in that Hluttaw, or retired from his or her office in accordance with the civil service rules from the day of appointment. Members of the Board shall not be a member of political party and shall not be involved in the activities of such parties.

14. The Governor shall serve as chief executive officer of the Central Bank and be responsible to the Board for the management and the implementation of the policy of the Central Bank.

15. The Governor shall have the powers to enter into contracts, and sign instruments and documents on behalf of the Central Bank. He may, in accordance with the resolution of the Board, delegate such powers to the officers of the Central Bank.

16. A member shall cease to be a member if he or she:

- (a) infringes the restrictions mentioned in section 10;
- (b) has been convicted with a sentence of imprisonment;
- (c) has obtained permission of the resignation from the appointed authority ;
- (d) is adjudged incapable of performing duties by the President;
- (e) has failed to attend the Board meetings for three consecutive months without leave from the Board.

17. Any vacancy occurring by reason of the resignation or termination or death of any member of the Board shall be filled with any suitable person who meets the requirements under this law for the unexpired period of the term of office of the member concerned. Such vacancy shall be filled within three months from the date of occurrence of the vacancy.

18. The Board may establish committees with suitable persons for the effective performance of the functions and duties of the Central Bank. In so doing, the duties and powers of such committees shall be determined.

19. The Board shall prepare an organizational set-up for the performance of the functions and duties of the Central Bank. Officers and staff within such organizational set-up shall be appointed.

20. The Board shall prescribe the Central Bank Service Regulations relating to the personnel, and their benefits.

21. The Central Bank may carry out the followings with the approval of the Board:-

- (a) granting different types of loans and advances to its staff with or without guarantee;
 - (b) establishing the welfare and provident funds or similar funds for its staff, family members and beneficiaries of the staff.
22. (a) The regular meeting of the Board shall be convened at least once a month. Provided that special meeting may be convened at any time call upon by the Governor or at the request of majority of the members;
- (b) Half or more than half of the members attending the meeting shall constitute a quorum;
 - (c) The Governor or the authorized Deputy Governor in the absence of the Governor shall preside at the Board meeting;
 - (d) At the meetings of the Board, decisions shall be adopted by the majority of the votes of the members present. In the event of an equality of votes, the decision shall be adopted by the casting vote of the Chairman of the meeting.
 - (e) Deputy Minister for Ministry of Finance and Revenue and the Deputy Minister for the Ministry of National Planning and Development shall be invited to attend the meetings of the Board as observers.

23. A member shall refrain from voting on any matters related to his business interest which become the subject of Board action.

CHAPTER IV

Capital and Profit Allocation

24. The State shall be the sole shareholder of the Central Bank. The authorized capital of the Central Bank shall be three hundred billion kyats, of which one hundred billion kyats shall be fully paid up by the State. The authorized and paid up capitals of the Central Bank may be increased with the approval of the Government. No reduction of these capitals shall be made thereof.

25. When the value of the Central Bank's assets falls below the sum of the value of its liabilities and its paid-up capital, the Ministry shall transfer government securities to the Central Bank in the amount necessary as proposed by the Central Bank and approved by the Government.

26. The net profits of the Central Bank for each year shall be calculated after deducting the operating expenditure for the year and after making provision for bad and doubtful debts, depreciation of assets and funds for welfare and retirement of the staff. The Central Bank may make provision for such other purposes which it considers necessary, with the approval of the Government.

27. The Central Bank shall have established General Reserve Fund Account. At the end of each year, an amount equal to forty per cent of the net profits shall be allocated in multiples of one million kyats to the General Reserve Fund Account until it amounts to 100 per cent of the paid-up capital of the Central Bank. By authorization of the Government, the amount to be transferred to the General Reserve Fund Account may be increased to exceed the prescribed annual percentage or the total amount of the General Reserve Fund Account may be increased beyond the paid-up capital of the Central Bank.

28. After transfers to the General Reserve Fund Account have been made under section 27, the remainder of the net profit shall be used to redeem the government securities which have been issued under section 25, held by the Central Bank.

29. Any net losses at the end of each year shall be set off against General Reserve Fund Account established under section 27..

30. The balance of the net profits remaining after deductions under section 27 and section 28 have been made shall be paid in multiples of one million kyats to the Union Government Budget as soon as practicable after the end of the year.

31. No deduction permitted under section 27 and section 28 shall be made nor shall any payment under section 30 be made if, in the opinion of the Central Bank, the assets of the Central Bank after the deduction or payment will be less than the sum of its liabilities and paid-up capital.

32. For any net gains or loss arising from changes in valuation of the Central bank's asset or liabilities in, or dominated in gold, special drawing rights, or foreign currencies as a result of any change in the values or exchange rates of gold, special drawing rights, internationally recognized units of account, or foreign currencies in terms of the domestic currency, a special reserve account shall be established.

33. (a) Any net gains in any year of the Central Bank arising from the revaluation of the gold, special drawing rights, foreign currencies and internationally recognized units of account in terms of the domestic currency as a result of change in exchange rate shall be credited to a special reserve account;

- (b) Any net losses in any year of the Central Bank arising from any change mentioned in sub-section (a) shall be set off against any credit balance in the special reserve account;
 - (c) The net gains referred to in sub-section (a) and the net losses referred to in sub-section (b) shall not be included in the computation of the annual net profits of the Central Bank.
34. The Central Bank shall be exempt from taxes on income, stamp duties or like dues and from assessment of tax related to banking operations.
35. The Central Bank shall:-
- (a) stand on its own fund and carry out its operations with its own fund arrangement;
 - (b) prior to the commencement of each financial year, prepare its annual budget estimates and submit to the Board to obtain the approval and the approved annual budget shall be submitted to the Parliament and the Government at the same time;
 - (c) adopt the internal financial rules in order to implement the annual budget by the Board.
36. (a) The accounts of the Central Bank shall be audited by Internal Audit Department on quarterly basis. Audited reports shall be submitted to the Board.
- (b) The accounts of the Central Bank shall be audited by the Union Auditor General Office at least once a year;
 - (c) The Central Bank shall prepare financial statements at the end of each year. The Central Bank shall submit its annual report to the Government together with its balance sheet and profit and loss statement certified by the Union Auditor General within 6 months after the end of the year;

- (d) After submitting the annual report under sub-section (c), the Central Bank shall publish it for public information.

CHAPTER V

Accountability and Transparency

37. The Central Bank shall, at a minimum twice a year, submit the reports to the Government and PyiHtaungsu Hluttaw regarding the conduct of its monetary policy and financial stability policy, the implementation of its objectives, and the financial situation of the State. The Central Bank shall also furnish such report to the Ministry.
38. The Governor shall, from time to time, report to the PyiHtaungsu Hluttaw concerning monetary policy, financial system matters, the financial situation of the State or any other matters related to the objectives and functions of the Central Bank.
39. The Central Bank shall, with the approval of the Board of Directors, publish quarterly reports on monetary and financial stability for the public information.

CHAPTER VI

Functions and Powers of the Central Bank

40. The functions and powers of the Central Bank include:
- (a) formulating and implementing monetary policy
 - (b) determining and implementing the exchange rate policy;
 - (c) advising to the Government in respect of such exchange rate regime;
 - (d) maintaining and managing the international reserves of the State;

- (e) acting as the sole issuer of and managing the domestic currency;
- (f) overseeing the financial system in order to maintain its stability;
- (g) regulating and supervising financial Institutions;
- (h) overseeing the money market and foreign exchange market to ensure orderly operation in such markets;
- (i) promoting and overseeing a safe, sound and efficient payment system;
- (j) acting as lender of last resort for banks;
- (k) acting as a banker to the Government by maintaining the accounts of the Government;
- (l) acting as financial advisor and fiscal agent to the Government;
- (m) acting as a banker for the financial institutions and to foreign governments and international agencies;
- (n) Opening accounts with and accepting deposits from financial institutions;
- (o) performing the transactions resulting from the participation of the State in international financial institutions in the banking, credit and monetary sphere and undertaking all the responsibilities in the name of the Government dealing with the aforesaid organizations on behalf of the Government.
- (p) carrying out such operations as may be consequential or incidental to the exercise of its powers and discharge of its duties under this Law.

41. The Central Bank is also authorized to carry out the following functions and duties:

- (a) issuing securities in its own name and for its own account and buying from, selling to and dealing in such securities with financial institutions and the public;
- (b) granting loans and advances against securities as collateral;
- (c) dealing in financial market as it deems necessary;
- (d) issuing license to bank and financial institutions;
- (e) selling and realizing the value of movable or immovable property which may come into its possession in satisfaction of its claims;
- (f) establishing credits and giving guarantees in any currency inside or outside the State on such terms and conditions as it may deem fit;
- (g) giving decisions in matters where sanction to take legal action under this Law is requested;
- (h) collecting and producing statistics and information in general and preparing the balance of payments and taking the necessary measures to ensure a stable and viable balance of payments position in particular;
- (i) determining central bank rate as and when necessary in order to control the money supply;

42. The Central Bank may acquire, lease, maintain or sell in accordance with law such business premises and equipment as it deems necessary for carrying out its operations.

43. The Central Bank shall dispose of any equity interests it may acquire in the satisfaction of its claims from the debtor as soon as feasible.

44. The Central Bank shall not engage in the following:

- (a) organizing companies or enterprises or activities whose sole objectives is profit-making, which is not consistent with the functions of the Central Bank under this Law and acquiring equity interests in such companies and enterprises;
- (b) granting different types of loans and advances except as authorized under this Law.

CHAPTER VII

Maintaining Monetary stability

45. The Central Bank may, in implementing the monetary stability, be authorized to use the following monetary instruments and methods:-

- (a) open market operations in the financial markets;
- (b) stipulation of discount rate and rediscount rate;
- (c) stipulation of minimum reserve requirements;
- (d) other instruments including management of credit operation as it may deem necessary

46. The Central Bank shall, in respect of monetary policy instruments to be used under section (45) sub-section (a), determine the types of securities and collateral to be used for open market and credit operations and announce the conditions under which the Central Bank stands ready to enter into such transactions to the public.

47. The Central Bank may purchase from, sell to, discount and rediscount the following from the financial institutions:

- (a) bill of exchanges and promissory notes;
- (b) securities issued to the public or other securities issued or guaranteed by the government;

(c) financial instruments issued by the Central Bank.

48. The Central Bank shall from time to time determine and prescribe, its discount rate, rediscounts and interest rate on advances.

49. The Central Bank may set different liquidity and reserve ratios for different types of deposits and similar liabilities and may also determine the method of their computation. Provided that the required ratios and the method of computation shall be uniform for all institutions within the same class.

50. The Central Bank shall, from time to time require financial institutions to maintain required reserves and specified liquid assets, against such deposits and similar liabilities, by way of cash holdings or by way of deposits with the Central Bank or by both in such proportion.

51. The Central Bank may pay interest on the required reserves maintained in accordance with Section 50 of this Law.

52. Changes in minimum reserve requirements shall become effective from the date determined by the Central Bank. Provided that such date shall be at least 14 days earlier than the date of declaration by the Central Bank.

53. The Central Bank may, in order to fully implement its objectives, determine and use other appropriate monetary policy instruments. In so doing, the decision shall be made subject to the approval of majority members of the Board of Directors.

CHAPTER VIII

Foreign Exchange and International Reserves Management

54. In consultation with the Central Bank, the Government shall determine the foreign exchange regime.
55. The Central Bank shall determine and implement the exchange rate policy.
56. The Central Bank may, subject to such terms and conditions as prescribed from time to time, carry out the following:
- (a) buying, holding, selling and dealing in gold or other precious metals;
 - (b) buying, holding, selling and dealing in foreign currencies, using any instrument which is generally used in foreign exchange transactions;
 - (c) buying, holding, selling and dealing in treasury bills and other securities issued or guaranteed by foreign governments or foreign central banks or in shares and securities issued by the international financial institutions and its international associations;
 - (d) opening and maintaining accounts with intergovernmental financial institutions, central banks, monetary authorities, and financial institutions outside the State;
 - (e) opening and maintaining accounts and acting as agent or correspondent for intergovernmental financial institutions, central banks, monetary authorities and financial institutions outside the State, and foreign governments and their agencies;

- (f) borrowing, with the approval of the Government, in any foreign currency on such terms and conditions as it considers appropriate, and also giving security for such loans.

57. The Central Bank may, in its own name or on behalf of the Government or for the account of and by order of the Government, enter into payment and settlement agreements or any other similar contracts with public and private financial institutions established abroad.

58. The Central Bank shall be responsible for establishing and maintaining, on such terms and conditions as it may from time to time determine, and having due regard to the liquidity and risk associated with the relevant assets, international reserves which shall consist of some or all of the following:

- (a) gold;
- (b) foreign exchange;
- (c) bills of exchange and promissory notes payable in such foreign currencies and in such places as the Central Bank may, for the purposes of this section approve;
- (d) any internationally recognized reserve asset, including the following: -
 - (i) an international reserve position of the State held at the International Monetary Fund;
 - (ii) holdings of special drawing rights at the International Monetary Fund.

59. (a) The Central Bank shall use its best endeavors to maintain the international reserve established under section 58 at a level which the Central Bank considers is adequate for the State's international transactions;

- (b) If the international reserve has declined or if the Central Bank considers that it is in danger of declining to such extent as to jeopardize its adequacy in terms of the State's international transactions, the Central Bank shall submit to the Government a report on the international reserve position and the causes which have led or may lead to such a decline including such proposals as it considers necessary to remedy the situation;
- (c) Until such time as, in its opinion the situation has become normal, the Central Bank shall continue to submit reports and proposals at intervals not exceeding three months.

60. The Central Bank may advise the Government as to the measures to be taken, the terms and conditions, and other facts relating to the external indebtedness that the State may from time to time incur. In so doing, the Central Bank shall obtain from the Ministry, upon request up-to-date inventory of all the foreign indebtedness contracted or guaranteed by the State.

CHAPTER IX

Issuance of Currency

61. The monetary unit of local currency shall be the “**Kyat**”. The Kyat shall be divided into one hundred units which shall be called a “**Pya**”. The symbols in the English language for such currency shall be “K” and “P”, respectively.

62. The Central Bank shall have the sole right to issue currency notes and coins. Currency notes and coins issued by the Central Bank shall be legal tender throughout the State.

63. Any instrument or transaction or liability relating to money or involving the payment of money in accordance with law shall, in the absence of any expressed agreement to the effect that was made in terms of foreign exchange be deemed to have been made in terms of the Kyat within the State.

64. The Central Bank shall arrange for the printing of notes and minting of coins, for the security and safe custody of unissued currency notes and coins, and for the custody and destruction as may be necessary of plates, dies, and retired currency notes and coins.

65. The denominations of currency notes and coins and their design, composition and other distinguishable characteristics shall be as determined by the Central Bank with the approval of the Government.

66. If it is necessary to call in any currency notes in circulation the Central Bank may do so with the approval of the Government and shall report the closet Union Hluttaw session of the situation.

67. (a) The Central Bank shall redeem currency at face value on demand of holders thereof;
- (b) Banks shall exchange legal tender currency notes or coins, with other denominations on demand without charges;
- (c) Notwithstanding anything contained in any existing law, no person shall as of right be entitled to demand from the Central Bank, the value of any lost, stolen, defective or defaced currency note and coin. Provided that the Central Bank may refund the value of any defective or defaced currency note and coin after examination in accordance with the procedures, regulations and bye-laws.

CHAPTER X

Maintaining Financial System Stability

68. For the purpose of financial stability, the Central Bank shall be responsible for issuing licence, withdrawing licence, inspecting, supervising and regulating financial institutions, and may give such directions as may be necessary to ensure the solvency and soundness of such institutions.

69. The Central Bank may, in inspecting and supervising financial institutions assign and designate the staff of the Central Bank or other qualified persons to carry out in the following manner:

- (a) to visit the offices of financial institutions from time to time to examine accounts, books, documents and other records;
- (b) to obtain periodic accounts, records and information of financial institutions to examine such information.

70. Financial institutions shall furnish the Central Bank with such information and records concerning their operations, at such intervals and in such manner as may be prescribed by the Central Bank, for the effective discharge of its functions and responsibilities;

71. The Central Bank may disclose information obtained under Section 70 in whole or in-part in aggregate form at such intervals as it considers appropriate. Provided that information concerning any individual and not relating to the public shall not be published.

72. The Central Bank may request any other supervisory authority overseeing the financial institutions to provide with the required information.

73. Where the Central Bank considers it necessary in the interest of financial system stability, the Central Bank may issue instructions in

writing requiring any financial institutions or its responsible person to take such measures to avert or reduce any risks to financial stability.

74. The Central Bank may set financial ratios including liquidity ratio and may determine method of computation of such ratios as may be necessary.

75. The Central Bank may establish or allow the establishment of a credit bureau to collect, in a manner and to such extent, as it thinks fit, credit information or any other information relevant in the assessment of the creditworthiness of the customers and to inform of these information to financial institutions.

CHAPTER XI

Oversight of the Money Market and Foreign Exchange Market

76. The Central Bank may, in overseeing the money market and foreign exchange market, assign and designate the staff of the Central Bank or other qualified persons to carry out in the following manner:

- (a) to visit the offices of relevant persons from time to time to examine accounts, books, documents and other records;
- (b) to obtain periodic accounts, records and information of persons as prescribed in sub section(a) to examine such information.

77. Persons who engage in money market and foreign exchange market, shall furnish the Central Bank with such information and records concerning their operations, at such intervals and in such manner as may be prescribed by the Central Bank, for the effective discharge of its functions and responsibilities.

78. The Central Bank may disclose information obtained under the section 77 in whole or in-part in aggregate form at such intervals as it

considers appropriate. Provided that information concerning any individual and not relating to the public shall not be published.

CHAPTER XII

Oversight of Payment and Settlement System

79. The Central Bank shall be responsible for issuing, refusing and revoking of licensing to the applicant, and the regulation and oversight of these payment institutions for the purpose of security and effectiveness of the payment and settlement system in accordance with provisions under this law and other related laws.

80. In order to facilitate the clearing of cheques and other instruments used as means of payment, the Central Bank may, in cooperation with financial institutions, allow the establishment of clearing houses in such places as it shall deem necessary.

81. Persons who engage in payment and settlement operations shall comply with procedures and guidelines issued by the Central Bank from time to time.

82. The Central Bank may, in overseeing the operations concerning the payment and settlement system, assign and designate the staff of the Central Bank or other qualified persons to carry out in the following manner:

- (a) to visit the offices of payment, clearing and settlement systems and its participants from time to time to examine accounts, books, documents and other records;

- (b) to obtain periodic accounts, records and information of persons as prescribed in sub section(a) to examine such information.

83. Persons who engage in payment and settlement operations, shall furnish the Central Bank with such information and records concerning their operations, at such intervals and in such manner as may be prescribed by the Central Bank, for the effective discharge of its functions and responsibilities.

84. The Central Bank may disclose information obtained under the Section 83 in whole or in-part in aggregate form at such intervals as it considers appropriate. Provided that information concerning any individual and not relating to the public shall not be published.

CHAPTER XIII

Lender of Last Resort

85. For the purpose of averting or reducing any risk to financial stability, the Central Bank may:-

- (a) provide financial assistance to any banks;
- (b) extend credit only to head offices of banks incorporated in Myanmar and to the main branches in Myanmar of foreign financial institutions;
- (c) enter into consultation with other Central Banks to provide liquidity assistance to subsidiaries or branches outside Myanmar of any bank established in Myanmar.

86. In the circumstances of requesting for financial assistance to improve liquidity by the banks, the Central Bank may, on such terms and conditions as it may from time to time determine, grant financial assistance at

appropriate interest rate for periods not exceeding 92 days based on the followings:

- (a) the bank is solvent and can provide adequate collateral to support the loan;
- (b) the bank needs such financial assistance to preserve the stability of the financial system.

87. On the basis of a program specifying the remedial measures that the bank concerned will be taking, these credit operations may be renewed once for a period not more than 92 days.

88. The Central Bank may extend loan for more than one additional period when it considers that such a loan is needed in exceptional circumstance in order to meet the liquidity requirements of the borrower and to serve the public interest.

89. If the Central Bank ascertains that the assisted bank did not implement the remedial measures or that these measures did not achieve the results intended, the Central Bank shall take appropriate measures.

CHAPTER XIV

Relation with Government on Financial Matters

90. The Central Bank shall accept deposits of the Government and make payments on behalf of the Government against such accounts. The Central Bank may assign another bank to do so.

91. The Central Bank may provide loans and advances to the Government with the approval of Pyidaungsu Hluttaw. Such provision of loans and advances shall be in accordance with the following conditions:

- (a) The terms and conditions for loan and advance shall be prescribed from time to time by consultation between the Ministry and the Central Bank;
- (b) Such loans and advances shall be guaranteed by interest-bearing negotiable instruments of government securities with a maximum term of 92 days delivered by the Ministry to the Central Bank;

92. The Central Bank may purchase and sell government securities held by financial institutions and the general public.

93. All outstanding credit to the State on the date this Law takes effect shall be converted into interest-bearing negotiable instruments of government securities, which the Government will transfer without delay to the Central Bank. The procedure of the redemption of such government securities shall be carried out by consultation between the Ministry and the Central Bank.

94. The Central Bank shall be entitled to receive essential financial and economic statistics, information and documents from the government departments and organizations, which the Central Bank shall have to analyze. The Central Bank shall present its views to the Government at the request of the Government or at its discretion.

95. The Central Bank shall advise the Government on the placement of its debt instruments with financial institutions and the public.

CHAPTER XV

Administrative Action

96. . The Central Bank may impose on and collect from any bank or financial institution which fails to maintain required reserves in the appropriate ratio determined in accordance with section 49 and section 50, a levy fine prescribed on the shortfall of required reserves in such bank or financial institution, as the case may be.

97. Any person or financial institution which fails to comply with the financial ratios set by the Central Bank shall be subject to administrative penalties including imposing fines under the provisions of this Law or under any other laws relating to financial institutions.

98. Any action taken by the Central Bank under section 96 shall be applicable uniformly to all financial institutions of a particular type without discrimination, and no action taken under section 96 shall have retrospective effect.

CHAPTER XVI

Prohibitions

99. No person shall, without the permission of the Central Bank do any of the following:

- (a) cutting, tearing or in any other way defacing any currency note or coin;
- (b) dealing in any denomination of currency notes and coins for the purpose of making profits.

100. Any member of the Board of Directors, personnel or agent of the Central Bank, shall not, without permission under the law disclose or publish information relating to the transactions, identity, amount of income

or source of income, profits, losses or expenditures of any person which they have learned in the performance of their duties, or allow such information to be seen or examined by another person.

101. No person shall use any counterfeit currency notes and coins or any type of negotiable instruments knowing that those are counterfeit money.

102. No person shall issue or counterfeit currency notes and coins or any type of instruments payable to bearer on demand, issued by the Central Bank or import the counterfeit currency notes and coins.

CHAPTER XVII

Offence and Penalty

103. Whoever violates the provision of Section 99 shall, on conviction be punished with fine or with an imprisonment term not more than 2 years or with both. In addition, the exhibits shall also be confiscated.

104. A member, personnel or agent of the Central Bank who violates the provision of Section 100 shall, on conviction be punished with fine or with an imprisonment term not more than 2 years or with both.

105. Whoever violates the provision of Section 101 shall, on conviction be punished with fine or with an imprisonment term not more than 3 years or with both.

106. Whoever violates the provision of Section 102 shall, on conviction be punished with imprisonment for a term which may extend from a minimum 10 years to a maximum of 20 years. In addition, the exhibits shall also be confiscated.

107. Whoever abets, attempts, or conspires in the commission of any offence under this Law shall be liable to the punishment provided in this Law for such offence.

CHAPTER XVIII

Miscellaneous

108. The position of the Governor and the Deputy Governor of the Central Bank shall be regarded as the Union Minister and the Deputy Minister.

109. Among offences prosecuted under this Law, the Section 103 and 104 are prescribed as cognizable offenses.

110. In taking legal actions under section 103 or section 104 prior sanction of the Central Bank shall be obtained.

111. Whoever commit any offence under this Law shall be liable to the punishment provided in this Law.

112. Notwithstanding anything contained in any existing law, debts owed to the Central Bank shall be given priority over all other claims except those of the State.

113. The provisions of the Myanmar Companies Act shall not apply to the Central Bank.

114. Article 149 of the First Schedule to the Limitation Act shall apply to all legal proceedings instituted by the Central Bank.

115. Movable and immovable properties belonging to the Central Bank of Myanmar established under the Central Bank of Myanmar Law (The State Law and Order Restoration Council Law No. 15/90), operations in the process of execution, operations which have been completed, assets and liabilities shall devolve respectively on the Central Bank.

116. The Central Bank shall exercise the power and independently perform the duties and responsibilities provided in this Law. In case where it cannot commence of operational functions assigned under this Law, the President of the State may allow a transitory period not exceeding one year for necessary adjustments and smoothen out the transitional process. The Central Bank may resume its duties and powers during this transitory period.

117. The contracts entered into or executed by the Central Bank of Myanmar established under the Central Bank of Myanmar Law (The State Law and Order Restoration Council Law No.15/90), shall be deemed to be entering into or executed by the succeeding Central Bank under this Law.

118. The Central Bank of Myanmar Law (The State Law and Order Restoration Council Law No.15/90) is hereby repealed. Although the said Law is repealed, the Board of Directors of the Central Bank of Myanmar established under the said Law 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.

119. Rules, regulations, bye-laws, orders and directives made or issued under the repealed the Central Bank of Myanmar Law (The State Law and Order Restoration Council Law No.15/90) or under any other power shall, in so far as they are not inconsistent with the provisions of this Law, or are not repealed or superseded, continue to have effect and be deemed to have been made or issued in accordance with this Law.

120. A person who carries out the assigned duties in good faith shall not be taken criminal action or civil action in implementing the provisions of this Law.

121. For the purpose of implementing the provisions of this Law, the Central Bank may issue rules, regulations, bye-laws, notifications, orders, directives and procedures as may be necessary.

I hereby sign this Law under the Constitution of the Republic of the Union of Myanmar

(Sd.) Thein Sein

President

The Republic of the Union of Myanmar