

The State Law and Order Restoration Council  
**The Savings Banks Law**  
(The State Law and Order Restoration Council Law No. 5/92)  
The 11th Waxing Day of Nayon, 1354 M.E.  
(11th June, 1992)

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

**Chapter I**  
**Title and Definition**

1. This Law shall be called the Savings Banks Law.
2. The following expressions contained in this Law shall have the meanings given hereunder: -
  - (a) Savings Bank means a State-owned Financial Institution which operates the work of opening Savings Bank Accounts and selling Savings Certificates. This expression also includes branches and sub-offices of a Savings Bank;
  - (b) Depositor means a person who deposits money by opening a Savings Bank Account or by purchasing Savings Certificates under this Law;
  - (c) Deposit means money deposited in a Savings Bank Account or money saved by purchasing Savings Certificates;
  - (d) Savings Record means a book, certificate or card issued by the Savings Bank to a depositor in respect of money deposited in a Savings Bank Account;
  - (e) Minor means a person who has not attained the age years;
  - (f) Ministry means the Ministry of Planning and Finance.

**Chapter II**  
**Aim**

3. The aims of a Savings Bank are as follows:
  - (a) to cultivate the practice of thrift among the people;
  - (b) to cause savings to be made by a secure method of saving;
  - (c) to promote the mobilization of financial resources;
  - (d) to raise the standard of living of the people.

**Chapter III**  
**Opening of Savings Bank Accounts and Purchasing of Savings Certificates.**

4. Any person who has attained majority may open a Savings Bank Account or purchase Savings Certificates for himself.
5. A person who has attained majority may, on behalf of
  - (a) open a Savings Bank Account;
  - (b) purchase Savings Certificates. Provided that in Savings Certificate, it shall be for not more than

6. Two or more persons who have attained majority may Savings Bank Account and purchase joint Savings Certificates.

7. The following organizations may open Savings Bank Accounts and purchase Savings Certificates with their own funds : -

- (a) organizations formed for savings and welfare;
- (b) libraries;
- (c) religious organizations;
- (d) co-operative societies;
- (e) associations;
- (f) regiment and forces;
- (g) organizations which are permitted from time to time by the Ministry.

8. A person who is responsible for furnishing a security deposit may, with the consent of the department or organization demanding security open a Savings Bank Account or purchase Savings Certificates for the amount of money to be furnished as security.

9. No one shall have the right to open a Savings Bank Account or to purchase Savings Certificates with State-owned finances or with money belonging to an organization in which the State has subscribed funds.

#### **Chapter IV Rights and Duties of a Depositor**

10. A depositor has the right to -

- (a) receive interest prescribed from time to time by the Savings Bank;
- (b) transfer the Savings Bank Account or the Savings Certificate to any other branch of the Savings Bank;
- (c) transfer any other Savings Certificates with the exception of Savings Certificates purchased on behalf of a minor to any other person on completion of one year from the date of purchase, with the consent of the Savings Bank;
- (d) encash the Savings Certificates on completion of one year from the date of purchase;
- (e) in the case of a minor, personally make withdrawals of his deposits from the date he attains majority;
- (f) in the case of opening of a joint Savings Bank Account or purchase of joint Savings Certificates under section 6, make withdrawals of the money by any survivor or survivors on the death of any holder;
- (g) in the case of loss or damage of a Savings Record or Savings Certificate, claim a new record or certificate in the manner prescribed and on payment of the fees prescribed.

11. A depositor may, in opening a Savings Bank Account or in purchasing a Savings Certificate nominate his beneficiary for the deposits and interests thereon only in the following order: -

- (a) wife, husband, child, or

- (b) if they are not alive, grandchild, or
- (C) if the grandchild is not alive, brother, sister, parent, or
- (d) if they are not alive, other persons.

12. If the depositor is desirous of altering or adding to the nomination list of his beneficiaries, he may do so only in the order contained in section 11

13. The depositor:

- (a) has the responsibility of keeping the Savings Records and Savings Certificates safely and securely;
- (b) shall presume that only he shall be responsible for any loss caused through his negligence, if any person obtains possession of the Savings Record or Savings Certificate and fraudulently encashes it;
- (c) has the responsibility of refunding without fail any over-payment made by the Bank in any manner, in respect of the deposit;
- (d) shall inform the Bank as soon as possible, if any errors have been found in the valid entry of the Bank contained in the Savings Record.

## **Chapter V**

### **Duties and Powers of the Savings Bank**

14. The Savings Bank may, for sufficient reason : -

- (a) refuse to open a Savings Bank Account or to allow the purchase of a Savings Certificate;
- (b) close an existing Savings Bank Account or refund the value of the Savings Certificate which has been sold.

15. The Savings Bank shall prescribe from time to time the rate of interest payable on the Savings Bank deposit and the method of computation and the table of principal and interest including interest payable on each denomination of certificate after each completed year of retention.

16. The Savings Bank may, from time to time determine the following: -

- (a) the minimum and maximum limits of the balance of the Savings Bank Account;
- (b) maximum permissible holding of Savings Certificates for a person or an organization;
- (c) the denominations and tenure of Savings Certificates.

17. The Savings Bank may encash without interest Savings Certificates before the completion of one year in the following circumstances: -

- (a) when a claim is made by the beneficiary on the death of the depositor;
- (b) on demand by the Bank when the amount exceeds the maximum limit
- (c) in respect of Savings Certificate which are furnished as security, when the certificates are released from the security by those concerned or when claim is made by those concerned on a breach of security;
- (d) when a public servant depositor retires from service;
- (e) when the depositor Es about to leave Myanmar for good;
- (f) when a claim is made by any person under an order of a Court;

(g) when the depositor applies for refund due to a natural disaster or unavoidable circumstance.

The Savings Bank shall : -

(a) recognize the name of the holder of a Savings Record and Savings Certificate as the owner of the deposit. Only such owner shall be allowed to draw the deposit;

(b) make payment of deposit to the beneficiary on the death of the depositor. No objections shall be considered in connection with this matter;

(c) make payment of the balance of the deposit in accordance with the stipulations and after scrutiny on the death of a depositor who has not made any nomination of a beneficiary;

(d) make payment of the deposit to the lawful guardian or administrator in the manner prescribed, if the depositor becomes of unsound mind or incapable of managing his affairs;

(e) shall pay the deposit together, with the interest accrued, on requisition to the Committee of Adjustment if the person is an officer or to the Commanding Officer if the person is not an officer, when a person subject to the Defence Services Act, 1959 dies, deserts from the service, is ascertained in the prescribed manner to be of unsound mind or while on active service is officially reported to be missing;

(f) permit a minor to personally withdraw the deposit on his attaining majority, if the minor so claims.

19. Payments made by the Savings Bank under section 18 shall be a full discharge from all further liability.

20. The Savings Bank shall be responsible for pecuniary losses incurred by the depositor due to the negligence of the Bank.

21. The Savings Bank shall not refuse or suspend payment to the depositor or his beneficiary except in cases of temporary injunction according to law.

22. If the depositor fails to refund to the Bank any overpayment made in any manner in respect of the deposit the Savings Bank may make deductions in any manner or may recover the amount as if it were an arrears of land revenue.

## **Chapter VI Prohibitions and Penalties**

23. No one shall make alteration or addition to any valid entry of the Bank contained in the Savings Record.

24. No one shall, without the consent of the Savings Bank transfer a Savings Record or a Savings Certificate in any manner.

25. No official of the Savings Bank shall, without consent under the law disclose or publish the depositor's name, account number, deposit, withdrawals and the amount of balance of the deposit or allow information to be seen or examined by another person.

26. No one shall fraudulently withdraw any deposit or attempt, abet or conspire in such withdrawal.

27. Whoever violates the provision of section 23 or section 24 shall, on conviction be punished with imprisonment for a term which may extend to 3 years or with fine or with both.

28. A Savings Bank official who violates the provision of section 25 shall, on conviction be punished with imprisonment for a term which may extend to 3, years or with fine or with both.

29. Whoever violates the provision of section 26 shall, on conviction be punished with imprisonment for a term which may extend from a minimum of 5 years to maximum of 10 years. In addition, the exhibit money and property shall also be liable to confiscation.

## **Chapter VII Miscellaneous**

30. The provisions of this Law shall apply only to the Savings Banks operated by the State-owned Financial Institutions.

31. Withdrawals from Savings Bank Accounts or encashment of Savings Certificates shall be exempted from Stamp Duty. Provided that this provision shall not apply to withdrawals from Savings Bank Accounts by the use of cheque.

32. In applying for a Letter of Administration or a Succession Certificate for the balance of the deposit of a deceased depositor, it shall be exempted from Stamp Duty payable under the law. For such exemption, the Bank shall issue a certificate for the correctness of the balance.

33. Interest accrued on a Savings Bank Account and Savings Certificates shall not be liable to Income Tax or Profit Tax. Nor shall such proceeds of interest be taken into account for the purpose of reckoning the assessable total income.

34. The balance of the Dead Account of the Savings Bank shall not be transferred to the income account of the Bank.

35. Savings Bank Accounts opened and Savings Certificates purchased under the laws repealed by this Law shall be deemed to be Savings Bank Accounts opened and Savings Certificates purchased under this Law.

36. Rules, procedures, regulations, bye-laws, orders and directives may be complied with in so far as they are not inconsistent with the provisions of this Law.

37. For the purpose of carrying out the provisions of this Law -

(a) the Ministry may, with the approval of the Government issue rules and procedures

(b) the Ministry and the Savings Bank may issue such orders and directives as may be necessary.

38. The following Acts are hereby repealed:

(a) The Government Savings Banks Act. 1873;

(b) The Savings Certificates Act, 1947.

**Sd./ Than Shwe  
General  
Chairman**

**The State Law and Order Restoration Council**

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