

The Central Bank of Myanmar Law
Pyidaungsu Hlattaw Law No.16/2013
The 4th waxing day of Waso, 1375 ME
11 July 2013
Pyidaungsu Hluttaw hereby enacts this Law

Chapter 1

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 meaning given hereunder;
 - (a) **State** means the Republic of the Union of Myanmar
 - (b) **Government** means the Union Government, the Republic of the Union of Myanmar.
 - (c) **Ministry** means Ministry of finance of the Union Government.
 - (d) **Central Bank** means the Central Bank of Myanmar established under this Law.
 - (e) **Bank** means the Bank established under the Myanmar Financial Institution Law.
 - (f) **The Financial Institution** means the institution permitted to establish under the Myanmar Financial Institution Law.
 - (g) **The Note** means the notes legally issued by the Central Bank under this Law or previously issued by it.
 - (h) **The coin** means the coins and the denominations legally issued by the Central Bank under this Law or previously issued by it.
 - (i) In the expansion '**Foreign Currency**', the following are inclusive;
 - (1) Foreign Currency notes.
 - (2) The Contract to be paid in Foreign Currency notes or to be paid in abroad.
 - (3) Deposits entrusted in the International Government Financial Institutions, Foreign Central Banks, treasury and Commercial banks.
 - (4) Contracts using in remitting the money from one country to another.
 - (5) Foreign Currency accounts open in the Local banks.
 - (j) **Gold** means standard gold bars and gold coins using in the international transaction.
 - (k) **Circulation money** means circulation money except notes and coins of central bank.

- (l) **General reserved account** means the account allotted up to the hundred percent equivalent of the initial invested capital of the Central bank. It is allotted by specified percent from the net profit gained at the end of the year, after establishing the Central bank.
- (m) **Special reserved account** means the accounts set up by the Central Bank for special case.
- (n) **Reduced rate** means the Central Bank interest taken upon short term loan extended to the bank and financial institutions, after the security exchange certificated are taken by the Central Bank, a guarantee, according to the loan programme with reduced rate.
- (o) **Reserved money requirement or reserved money ratio** means the prescription laid down by the Central Bank as least reserved money requirement from any portion of the total deposit, entrusted by the customers of commercial banks and saving banks.
- (p) **Year** means the financial year of the State.
- (q) **In the expression personnel**, means any person or any legally established organization are inclusive.

Chapter 2

Founding, Aim and Object

- 3. Central Bank is established as an official organization by this law having the right for continuous successor by its own name, the right to litigate, the right to be sued.
- 4. Central Bank Head Office shall be located in Naypyitaw. Central Bank shall have the right to open branch banks and its agency offices in the country or overseas.
- 5. The main aim and object of Central Bank is to stable and control the local price.
- 6. Central Bank shall endeavour to develop the following objectives according to its main vision;
 - (a) Stability of money
 - (b) Stability of monetary system
 - (c) Developing effective payment and transaction system
 - (d) Supporting government general financial policies to develop vibrant economy.
- 7. Central Bank shall have the right to exercise its authority freely, in implementing the obligations under this law, so as to achieve its main aim and object successfully.

Chapter 3

Formation of Board of Director

8. Central Bank shall be managed by Board of Directors.
9. (a) Central Bank's board of directors shall be constituted with the following 9 personnel. The president shall appoint them with the approval of the Pyidaungsu Hluttaw.
 - (1) Central Bank Governor - Chairman
 - (2) Deputy Governors - Members
 - (3) External 5 professional experts selected by the government – Members
- (b) The term of office of the Central Bank's governor is 5 years. The term of office of the remaining members of the Board of Directors is 4 years. The governor and members of Board of Directors cannot serve more than 2 terms.
- (c) Governor and Deputy Governor of Board of Directors shall serve their duties full time and they are not allowed to carry out any other emunerated works.
- (d) The Board of Directors shall assign specifically one of the Central Bank officers to assume as the secretary of the Board of Directors.
- (e) The Chairman and the members of the Board of Directors must be well versed and experienced in any of the Central Bank operation, economics, finance and banking law, accounting and auditing works.
- (f) Members of Board of Directors shall submit in detail the wealth or the benefits relating to the economic activities of their families and themselves to the Board of Directors.
10. The following personnel are not allowed to be appointed as members.
 - (a) Non-citizen
 - (b) Any member's wife, spouse, parents, children, brothers and sisters of the same blood.
 - (c) Employees of company, or joint venture works, directors, main share holders possessing more than 5% benefit of these entities.
 - (d) Employees of any banks or financial institutions, directors, main share holder possessing more than 5% benefit of these entities.
11. Governor and Deputy Governor shall have the right to enjoy the remunerations and allowances, prescribed by the Board of Directors. The said remunerations and allowances shall be borne by the Central Bank.

12. The members of Board of Directors who are the external professional experts shall have the right to enjoy the remunerations and allowances, prescribed by the Board of Directors. There remunerations shall be borne by the Central Bank.
13. If Member of Parliament or government servant is appointed as member of Board of Directors, he shall be regarded as having resigned from the Member of Parliament or retired from service according to the regulation of civil servant with effect from the appointed day. The members of the Board of Directors must not be the members of any political organizations. They are not allowed to participate in the activities of the political parties.
14. The Governor is the Chief executive officer of the Central Bank and he shall be responsible to Board of Directors, manage the Central Bank day-to-day operations and implement the policy.
15. The Governor of Central Bank is authorized to take action on behalf of Central Bank, to sign agreement, to enter into contracts, writs. This authority may be delegated to the Central Bank officers according to the decision of Board of Directors.
16. Any members of the Board of Directors may be terminated as the members of Board of Directors in the event of arising one of the following matters;
 - (a) Violation of any restrictions, mentioned in section 10.
 - (b) Punished with imprisonment
 - (c) Permitted to resign
 - (d) Decision made by the president that he is incapable of discharging his duties.
 - (e) Absence to attending Board of Directors meeting for 3 months continuously without the permission of Board of Directors.
17. Any suitable person who is in compliance with the prescriptions under this law shall be substituted to be appointed for the remaining term of office of any members of Board of Directors, who is resigned or terminated or expired. This substituted appointment shall be made within 3 months of the vacancy day.
18. The Board of Directors is authorized to form the committees with the suitable personnel to carry out the duties and responsibility of Central Bank effectively. On so doing, the obligations and authority of these committees shall be prescribed.
19. The staff establishment shall be drawn by the Board of Directors. The necessary staff and employees shall be appointed for the establishment.
20. The Board of Directors shall specify the stipulated regulations and benefits relating to the staff matters.

21. The Central Bank is authorized to do the following matters with the approval of Board of Directors;
 - (a) Giving the loan and advance payment to the employees with or without bond.
 - (b) Setting up the superannuation fund or similar arrangement for the employees, their families and the beneficiaries.
22. (a) The Board of Director's regular meeting shall be held at least one in a month. But the special meeting can be held anytime by the desire of the governor or majority members of the Board of Directors
 - (b) If more than half of the members of Board of Directors attend the meeting shall constitute a quorum.
 - (c) The governor or any deputy governor, who is empowered in the absence of the governor, shall act as the chairman of the meeting.
 - (d) The decision shall be laid down in the Board of Directors meeting by the majority votes of the attendees. If the number of votes is equal, the decision shall be made by the deciding vote of the chairman.
 - (e) The Union Deputy Minister of the Ministry of Finance and Ministry of National Planning and Economic Development shall be invited to attend as the observers in the Board of Directors meeting.
23. In the event of taking necessary action in connection with the matter relating to the benefit to be enjoyed by any members of Board of Directors, the said member is not allowed to can't vote in the meeting.

Chapter 4

Capital Investment and the 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 thousand million kyats, of which one hundred thousand million kyats shall be fully paid by the State. The authorized and paid-up capital of the Central Bank may be increased with the approval of the Government. No reduction of these capitals shall be made.
25. When the value of the Central Bank asses falls below the sun of the value of its liabilities and its paid-up capital, the Ministry shall transfer government security to the Central Bank, 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 deduction the operating expenditure for the year and after making provisions for bad and doubtful debts, depreciation of assts, funds for well fare and retirement of the employees. The Central Bank may make provisions for such other purposes which it considers necessary, with the approval of the Government.
27. The Central Bank shall establish a General Reserve accounts. At the end of each year, an amount equal to forty percent of the net profits shall be allocated in multiples of one million kyats to the General Reserve accounts until it amounts to 100 percent of the paid-up capital of the Central Bank. By the approval of the Government, the amount to be transferred to the General Reserve accounts may be increased to exceed the prescribed annual percentage or the total amount of the General Reserve accounts may be increased beyond the paid up capital of Central Bank.
28. After transferring to the General Reserve accounts under section 27, the remainder of the net profit shall be used to redeem the government securities certificates which have been issued under section 25, held by the Central Bank.
29. If there is loss at the end of the year, the said loss shall be set off from the General Reserve accounts established under section 27.
30. The balance of the net profit remaining after all deduction under section 27 and 28, shall be transferred immediately in multiples of one million kyats to Union Government budget, after the end of the year.
31. If, in the opinion of the Central Bank, the assets of the Central Bank after deduction or payment will be less than the sum of its liabilities and paid-up capital, no deduction is permitted under section 27 and 28, or any transferred payment under section 30.
32. Central Bank shall establish special reserve accounts for the value changing on assets and liabilities, arising due to refixing the value of any foreign currency, gold, special permitted taking-out. This is made due to the changing of gold, special permitted taking-out, international recognized accounts units or value of foreign currency calculated in kyats.
33. (a) Central Bank shall make entry of credit account in the special reserve account on any net profits for any year after refixing of value due to change in foreign exchange rate upon the value of kyats for gold, special permitted taking-out, foreign currency and international recognized account units.

(b) Any net loss for any year of Central Bank due to changing under sub-section (a), shall be set off from the balance credit account of the said special reserve accounts.

- (c) The net profits referred in sub-section (a) or the net loss referred in sub-section (b) shall not be included in calculating the yearly profits of Central Bank.
- 34. The Central Bank shall be exempt from taxes on income, stamp duties or the like due and from assessment of tax related to banking operations.
- 35. Central Bank shall;
 - (a) Stand on its own budget and execute its operations with its own budget.
 - (b) Get the approval of Board of Directors after drawing and submitting the yearly budget to Board of Directors before the commencement of the financial year.
 - (c) Lay down the financial regulations, necessary to be implemented the yearly budget.
- 36. (a) The account of the Central Bank shall be audited regularly by the Internal bank auditors three monthly. The audited report shall be submitted to Board of Directors.
 - (b) The account of the Central Bank shall be audited by the Auditor General at least once in a year.
 - (c) The Central Bank shall prepared financial statements at the end of each year. The Central Bank shall submit its annual report to the Government together with its balance sheets and profits and loss statement, certified by the Auditor General within six months after the end of the year.
 - (d) After submitting the annual report under sub-section (c), the Central Bank shall announce it for public information.

Chapter 5

Accountability and Releasing Information

- 37. The Central Bank shall report the Government and Pyidaungsu Hluttaw at least two times a year in connection with the execution of the stability of its monetary policy and monetary system, the implementing of aim and object, and state monetary status. This report also shall be sent to the ministry.
- 38. The Governor shall report the matter relating to monetary policy, monetary system, state monetary status or aim and object of Central Bank, its obligations to Pyidaungsu Hluttaw from time to time.
- 39. The Central Bank shall announce monetary policy and information development on monetary stability. Three monthly for the public information with the approval of Board of Directors.

Chapter 6

Functions, Duties and Powers of the Central Bank

40. The functions and duties of the Central Bank are as follows;
- (a) Formulating and Implementing monetary policy.
 - (b) Deciding and implementing the foreign exchange rate policy.
 - (c) Advising the Government in respect of foreign exchange rate system.
 - (d) Controlling and management of state foreign reserve currency.
 - (e) Acting as the sole issuer of domestic currency and management.
 - (f) Controlling and supervising stability of monetary system.
 - (g) Supervision and controlling of financial institution.
 - (h) Supervision and controlling the monetary market and foreign currency market to regulate systematically.
 - (i) Ensuring a safe stable and viable balance of payment position and controlling.
 - (j) Issuing short term loan to the bank.
 - (k) Acting as government banks to control government account.
 - (l) Acting as government's financial advisor and financial representative.
 - (m) Acting as a banker for the financial institutions, foreign government and international agencies.
 - (n) Receiving the deposits after opening the account for the financial institutions.
 - (o) Performing the transactions resulting from the participation of the state in international financial organizations in the banking, credit and monetary sphere and undertaking all the responsibilities in the name of the Government dealing with these organizations on behalf of the government.
 - (p) Performing the consequential matters arising in exercising the entrusted powers and duties according to this law or any existing law.
41. The Central Bank in also authorized to carry out the following functions and duties;
- (a) Issuing securities exchange certificates in its own name and for its own account and trading then with the financial institution or the public.
 - (b) Providing short term loan and advance payment after taking securities exchange certificate as bonds.
 - (c) Trading in the financial markets as necessary.

- (d) Issuing work permit license to the bank and financial institutions.
 - (e) Selling and realizing the value of movable or immovable property which comes into its possession in satisfaction of its claims.
 - (f) Establishing credit in any foreign currency from abroad and giving guarantees according to term and condition as it may deem appropriate.
 - (g) Giving decision for the matter relating to asking permission to litigate under this law.
 - (h) Performing necessary ways and means to acquiring stable and viable foreign transaction, drawing the foreign transaction accounts, collecting statistics and data information and compiling them.
 - (i) Amending and fixing the Central Bank's interest rate from time to time to control the capital as necessary.
42. The Central Bank is authorized to acquiring, leasing, maintaining the necessary premises and operational property according to the law in carrying out its operations.
43. Central Bank shall auction as soon as possible any beneficiary received from the debtor for its loan to be received.
44. The Central Bank shall not engage in the following;
- (a) Organizing companies or enterprises or activities whose sole objective is profit-making, which is not consistent with the function of Central Bank under this Law, putting share in such companies.
 - (b) Granting different types of loans, except as authorized under this Law.

Chapter 7

Performing Monetary Stability

45. The Central Bank shall execute the following ways of monetary policy in implementing its objective for monetary stability.
- (a) Trading the security exchange certificates in the financial market.
 - (b) Fixing reduced rate and one step reduced rate.
 - (c) Fixing the least reserved money requirement.
 - (d) Fixing other suitable means including loan management.
46. The Central Bank shall announce to the public the conditions to be performed in the financial market and fixing the types of security exchange certificates and guarantees to get the loans in performing under section 45, sub-section (a).

47. The Central Bank may perform the trading, exchanging with reduced rate and one step reduced rate for the following matters, by using the means of trading the security exchange certificates in the financial markets.
 - (a) Bills of exchange and promissory notes.
 - (b) The security exchange certificate issued to the public or the government issued or other guarantees security exchange certificate.
 - (c) The financial instrument issued by the Central Bank.
48. The Central Bank shall fix and announce the interest rates upon its reduced rates, one step reduced rate and loan occasionally.
49. The Central Bank shall have the right to fix the reserved money ratio for the type of deposits and the similar liabilities and calculating method as well. But the said require ratio and the calculating method shall be the same for all the bank of similar types of works.
50. In connection with their deposits, researched money for the similar liabilities, in cash or deposits at the Central Bank or both matters or other appropriate way of calculation, the Central Bank shall monitor the bank to put them according to the ratio specified by Central Bank.
51. The Central Bank may give the interest on the reserved money requirement amount according to section 50.
52. The changing of the least reserved money requirement shall be effective starting from the day fixed by the Board of Directors. Central Bank shall notify it 14 days in advance at least.
53. The Central Bank is authorized to adopt and use other appropriate ways of monetary policy to implement its objectives effectively, with the approval of the majority of Board of Directors.

Chapter 8

Foreign Exchange and Foreign Reserve Exchange Management

54. After taking the advice of the Central Bank, the Government shall fix the foreign exchange rate.
55. The Central Bank shall implement the foreign exchange policy.
56. The Central Bank is authorized to carry out the following works. According to the terms and conditions as prescribed from time to time;
 - (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 exchange certificates issued or guaranteed by foreign government or foreign central banks; or shares or securities exchange certificate issued by the international financial institutions.
 - (d) Opening and maintaining account with international financial institutions, foreign Central Banks, monetary authorities, and financial institutions outside the state.
 - (e) Opening and maintaining accounts, and acting as agents or correspondent performing for international financial institutions, foreign central bank, monetary authorities, foreign government and their agencies.
 - (f) Borrowing in any foreign currency on the terms and conditions of Central Bank as it considers appropriate and also giving securities 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 clearing and payment agreement or any other contracts with the same purpose with the similar public and private financial institutions established abroad.
58. The Central Bank shall be responsible for maintaining and managing, according to the terms and conditions prescribed from time to time, having considering the liquidity and the risk associated with the relevant assets, foreign reserve exchange 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 in such places as the Central Bank may approve.
 - (d) Any internationally recognized reserve assets as below;
 - (1) Ownership of state foreign reserve exchange as International Monetary Fund.
 - (2) Ownership of state special drawing right.
59. The Central Bank shall;
- (a) Maintain the foreign reserve exchange, established under section 58 at a level which the Central Bank considers is adequate for the state's international transactions.
 - (b) If the foreign reserve exchange 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 state's international transactions, the Central Bank shall submit to the government a report on

foreign reserve exchange position and the cause which may lead to decline including the proposals as it considers necessary to remedy the situation.

(c) Until such time, in its opinion, the situation has become normal, the Central Bank continue to submit reports and proposals to the government at intervals of once in not exceeding 3 months.

60. The Central Bank may advise the government how the measures are to be taken, mentioning with the terms and conditions and other facts in connection with the external indebtedness that the state may incur from time to time. In order to be able to advise, the Central Bank shall obtain from the Ministry the up-to-date balance of all the foreign indebtedness contracted or guaranteed by the state.

Chapter 9

Issuance of Local Currency

61. The monetary unit of local currency shall be 'kyat'. The kyat shall be divided into one hundred units which shall be called a 'Pya'. The symbol in the English language for such currency shall be 'K' and 'P' respectively.

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

63. In any transaction or liability relating to money or involving the payment of money for the contract in accordance with law, if there is no expressed agreement made in term of foreign exchange, it is regarded as it is made in kyat within the state.

64. The Central Bank shall arrange for the printing of notes, minting of coin, the security and the safe custody of issued currencies and coins, the custody and destruction as required of plates, dies, with drawn currency notes and coins.

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

66. If it is necessary to withdraw any currency notes in circulation, the Central Bank may do so with the approval of the government. The status of this performance must submit to the nearest Pyidaungsu Hluttaw meeting to be convened and get the approval.

67. (a) The Central Bank shall redeem currency at face value on demand of holders for the currency notes legally using in circulation.

- (c) The bank shall exchange legal currency notes and coins with other denomination on demand without charges.
- (d) No one shall have the right to be entitled to demand from the Central Bank, the value of any lost, stolen, defective or defaced currency notes and coins. But the Central Bank may refund the value of any defective or defaced currency notes and coins after scrutinizing in accordance with the procedure, regulations.

Chapter 10

Performing Stability on Monetary System

- 68. The Central Bank shall be responsible for licensing, refusing and revoking, inspecting, supervising, regulating financial institution for the stability of monetary system and may give direction as may be necessary to ensure the solvency and soundness of such institutions.
- 69. In inspecting the financial institutions the Central Bank shall assign its staff or the personnel assigned by the Central Bank as follows;
 - (a) Inspecting accounts, ledgers, supporting document and records, after visiting the work sites of the financial institutions occasionally.
 - (b) Inspection periodical accounts, records data information of the financial institution, after acquiring from them.
- 70. The financial institutions shall send required data to Central Bank according to the prescription upon the demand so as to be able to perform effectively.
- 71. The Central Bank may announce all the data information or some portion of it; send under section 70 in appropriate time collectively. But the data information of a person who is not related to the public shall not be announced.
- 72. The Central Bank may also are the required data information from other authorized organizations which are controlling and supervising the financial institutions.
- 73. The Central Bank shall issue directive by letter to any financial institutions as to the responsible person to perform prevention of probable loss or reduced arrangement, if it considers as necessary for the stability of monetary system.
- 74. The Central Bank may fix, as necessary, monetary ratio and the method of calculation including liquidity ratio.
- 75. The Central Bank may establish loan information centre for loan data information or evaluating assessment for loan credibility.

Chapter 11

Controlling Monetary Market and Foreign Exchange Market

76. Upon controlling the monetary market and foreign exchange market, the staff of Central Bank or the personnel assigned by the Central Bank shall perform as follows;
- (a) Inspecting the accounts, ledgers, supporting documents and other records by the personnel who are performing the monetary market after visiting to the work sites occasionally.
 - (b) After taking the accounts, records and data information of the personnel contained in sub-section (a), inspection is made.
77. The personnel performing in the monetary market and foreign exchange market shall send required data to Central Bank, according to the prescription upon the demand so as to be able to perform effectively.
78. The Central Bank may announce all the data information or some portion of it; send under section 77 in appropriate time collectively. But the data information of a person, who is not related to the public, shall not be announced.

Chapter 12

Controlling Payment and Account Clearing System

79. The Central Bank shall determine licensing, refusing, revocation, supervising, controlling of any organization, applied according to the prescription under this law and other relevant law, in order to make safe and effective payment system.
80. The Central Bank may in co-operation with financial institutions form the clearance teams in required places for the clearing of cheques and other instrument used as means of payment.
81. The personnel who are performing the payment and account clearing works shall follow the procedures and directives issued by the Central Bank occasionally.
82. In controlling the payment and account clearing works, the staff of the Central Bank the personnel assigned by the Central Bank, the Central Bank shall perform as follows;
- (a) The Central Bank shall examine the account ledgers, supporting document and other records, after visiting occasionally to the work site of the personnel who are taking part in the payment and account clearing works.

- (b) The Central Bank shall examine periodical account, records and data information after acquiring from them.
- 83. The personnel who are taking part in the payment and account clearing work shall send periodically the required work data upon demand according to the prescription, in order to be able to perform the Central Bank's duties effectively.
- 84. The Central Bank may notify all the particulars send under section 83 or some portion of them in appropriate time collectively. But the data information of the personnel, who is not related with the public, shall not be announced.

Chapter 13

Acting as Banker to Extend Short Term Loan

- 85. The Central Bank may perform the following matters to prevent probably loss or to reduce it for the stability of monetary system.
 - (a) Extending loan to the bank.
 - (b) Extending loan to head offices of the bank incorporated in the state, and main brand office of the foreign bank in the state.
 - (c) Coordinating with other Central Bank for the arrangement of extending money and other required assistance to the branch bank, offices of the bank incorporated in the state.
- 86. Upon asking monetary assistance so as to improve the liquidity of the bank, the Central Bank may extend temporary loan with appropriate interest, according to the prescribed regulations, based on the following particulars with time frame of not more than 92 days.
 - (a) The bank has good solvency and has enough guarantee for the loan.
 - (b) The bank requires monetary assistance to maintain the stability of the monetary system.
- 87. The Central Bank may extend one more validity with a time frame of not more than 92 days, considering upon the arrangement of remedial measures taken for the relevant bank.
- 88. The Central Bank may extend the loan for the validity of more than one time, if it considers as deem necessary in order to carry out for the benefit of the public and to fulfill the emergency money requirement.
- 89. The Central Bank shall take action to the bank if it is found after scrutinizing that the bank does not implement the remedial measure or the performance are not successful according to the objective.

Chapter 14

Performing Government's monetary matters

90. The Central Bank shall accept the deposits of the Government and make payments on behalf of the Government against such accounts. The Central Bank may assign another bank to do such matters.
91. The Central Bank may provide loans to the Government with the approval of Pyidaungsu Hluttaw, in accordance with the following conditions;
 - (a) The terms and conditions for the loans shall be prescribed from time to time by consultation between the ministry and the Central Bank.
 - (b) The loans shall be guaranteed by interest bearing government securities exchange certificate delivered by the ministry. Such securities, with a maximum term of 92 days shall be negotiable instruments.
92. The Central Bank may purchase and sell the government securities exchange certificate from financial institutions and the public.
93. The Government shall transfer interest bearing and transferable government security exchange certificate to the Central Bank for all the balance loans, extended to the state up to the enforcement day of this law. The arrangement for the redemption of these certificates shall be made after consultation between the ministry and the Central Bank.
94. The Central Bank shall be entitled to receive essential financial and economic information and documents which the Central Bank shall analyze, from the government organizations. The Central Bank shall present its views to the Government upon the request of the Government or at its discretion.
95. The Central Bank shall advice the Government in connection with the Government's debt instruments which are to be sold to the financial institution and the public.

Chapter 15

Imposing Managerial Punishment

96. The Central Bank shall fine the bank or any financial institutions which fail to maintain the required reserve money according to the ratio prescribed under section 49 and 50, upon the reduce amount of money to maintain the necessary reserve money.

97. Any person or any financial institution which fail to maintain the monetary ratio as prescribed by the Central Bank shall be imposed managerial punishment according to the stipulation under this laws relating to the financial institutions.
98. Any action taken by the Central Bank under section 96 shall be applicable uniformly to all financial institution of similar type without discrimination, and no action taken under section 96 shall have retrospective effect.

Chapter 16

Prohibition

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 the currency note or coin.
 - (b) Trading the currency notes or coins to get profit.
100. Any members of Board of Directors, personnel or agent of the Central Bank, shall not, without permission under any existing law, disclose information of any person which they have learned in the performance of their duties, relating to his transactions, identity, amount of income, source of income, profits, losses, expenditures, or allow such information to be seen, or examined by another person.
101. No person shall use counterfeit currency notes, coins and any type of transferable contract issued by the Central Bank; although he knows that they are counterfeited ones.
102. No person shall issue or counterfeit the currency notes, coins, and any type of transferable contract, issued by the Central Bank or import or export the counterfeited ones.

Chapter 17

Offence and Penalty

103. Whoever violates any provision of section 99 shall, on conviction be punished with a fine or with imprisonment for a term not more than 2 years, or with both. The established shall be confiscated by the state.
104. Any members of Board of Directors, personnel or agent of the Central Bank who violate the provision of section 100 shall, on conviction be punished with a fine, with imprisonment for a term not more than 2 year or with both.
105. Whoever violates the provision of section 101 shall, on conviction be punished with a fine, or imprisonment for a 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 minimum 10 years to maximum 20 years. The established shall be confiscated by the state.
107. Whoever abets, attempts or conspires in any offence under this law shall be punished for such offence, provided in this law.

Chapter 18

Miscellaneous

108. The governor is regarded as the personnel of the Union Minister Level and the Deputy Governor are regarded as Deputy Ministry Level.
109. Out of the offences prosecuted under this law, section 103 and 104 are prescribed as cognizable offences.
110. In taking legal action under section 103 or 104 prior sanction of the Central Bank shall be obtained.
111. Upon committing the offences under this law, legal action shall be taken according to this law.
112. Notwithstanding anything contained in any existing law, debts owed to the Central Bank shall be given priority over all other claim except those of the state.
113. The provision 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 proceeding instituted by the Central Bank.
115. Moveable and immovable properties belonging to the Central Bank of Myanmar established under the Central Bank of Myanmar Law (SLORC Law No.15/90), operation in the process of execution, operations which have been completed assets and liabilities shall devolve respectively on the Central Bank.
116. The Central Bank may exercise the powers and perform the duties and responsibilities freely. If these in difficulty to perform the duties physically, the president shall determine the transitory period up to maximum one year from the day of enactment of this law to be enable to prepare necessary negotiation. The Central Bank may continue to exercise the powers and perform the original duties.

CONVENIENCE TRANSLATION – for further information, contact info@pwplegal.com



117. The contract entered into or executed by the Central Bank of Myanmar established under the Central Bank of Myanmar Law (SLORC Law No: 15/90) shall be deemed to be entered into or executed by the succeeding Central Bank under this law.
118. The Bank Law (SLORC 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 Bank Law (SLORC Law No: 15/90) or under any other power shall, in so far as they are not contrary to the provision of this law, continue to have effect.
120. In implementing the provision stipulated under this law, a person who is discharging his duties honestly by assigned to him under this law shall not be prosecuted civilly or criminally.
121. For the purpose of carrying out the provisions of this law, the Central Bank may issue necessary rules, regulations, bye-law, orders, directives, and procedures.

I hereby sign according to the constitution of the Republic of the Union of Myanmar.

Thein Sein
President
The Republic of the Union of Myanmar