

Government of the Republic of the Union of Myanmar

Microfinance Supervisory Committee

Notification No.1/2011

23rd December, 2011

1. In exercising the powers conferred upon it by section 68, sub-section (b) of the Microfinance Law, the Microfinance Supervisory Committee issues this notification 1/2011.
2. An institution desirous to engage in microfinance business is entitled to apply for a business license only when formed under the Myanmar Companies Act, the Cooperative Societies Law, the Law Relating to the Forming of Organizations or any other existing law.
3. An institution desirous to engage in microfinance business shall apply, on a specified form, for a business license to the Microfinance Supervisory Committee through the Microfinance Development Committee of the relevant Regional or State Government or the Nay Pyi Taw Council.
4. The Microfinance Supervisory Committee shall issue or refuse to issue the license within 30 days from the day of having received the application, after scrutinizing the information filled in the application form and the feasibility study.
5. In accordance with the agreement reached in the Union Government meeting number (16/2011), held on 4-8-2011, under section 7, sub-section (f), (g), section 8, sub-section (a) of the Microfinance Law, the minimum paid-up capital of a microfinance institution, the interest rates, license fees and application fees [*literally: "service fees"*] which are as follows –

(a) Paid-up capital

- (1) Non-deposit taking institutions: kyats 15 millions;
- (2) Deposit-taking institutions: kyats 30 millions;

(**Remark:** regarding the paid-up capital of existing cooperative societies, the Microfinance Supervisory Committee shall decide on a case-by-case basis)

(b) Interest rate

- (1) The interest rate on a micro-credit is 2.50 kyats per month for 100 kyats, not exceeding 30 kyats per year;

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- (2) The interest on a deposit / saving is 1.25 kyats per month for 100 kyats, not less than 15 kyats per year;

(c) Application fees

- (1) The application fee is kyats 50,000 for the establishment of a branch office, the transfer of the place of business and the termination of the business.

(Remark: For transfers from one township to another, the Microfinance Supervisory Committee will specify whether an application fee has to be paid; no application fee has to be paid for transferring the place of business within the same township.)

- (2) Type of business (non-deposit taking institutions/deposit-taking institutions)

The application fee is kyats 50,000 for changing the type of business.

(d) License fees

- (1) **Initial license fee**

An amount equivalent to 0.1% of the paid-up capital must be paid within 15 days after the receipt of the business license;

- (2) **Increase of the license fee in case of an increase of the paid-up capital**

0.1% of the increased amount shall be paid additionally if the paid-up capital is increased;

- (3) **Annual license fees**

An amount equivalent to 0.1% of the paid-up capital must annually be paid in April of each financial year.

- 6. The above stipulations shall, if necessary, be amended, altered and specified in accordance with the conditions of the market.

Hla Htun
Chairman
Microfinance Supervisory Committee

Letter No. KaKa-1/6 (1/2011)

Date: 23rd December, 2011