Statement of Myanmar Banks Association on the AML/ CFT Implementation Progress

Progress on Implementation of AML/CFT.

1. Since its establishment in April 1999, The Myanmar Banks Association (MBA) has been encouraging the member banks for sustainable development to ensure abiding the existing laws and regulations, and the directives issued by the Central Bank of Myanmar.

2. In this regard, MBA places special emphasis on compliance issues related to money laundering and anti-terrorist financing (AML/CFT). As Banks are designated as AML/CFT reporting agencies, they are committed to strictly follow the rules and regulations issued from time to time by the Central Bank of Myanmar and the directives / instructions issued by the Financial Intelligence Unit (FIU). MBA has been pushing the banks for making significant progress on the AML/CFT compliance at its monthly CEC meetings.

Formation of Sub-committee

3. The Myanmar Banks Association established a sub-committee on AML/CFT with member banks' compliance officers since January 2019, in order to strengthen the compliance and implementation of member banks with regard to AML/CFT policy and regime, and carry out necessary awareness programs. The sub-committee was re-organized in October 2021 as the Prudential/ AML-CFT / Fraud / Risk Committee in order to handle not only AML/CFT-related issues but also compliance-related matters in a broader scope.

Collaborative activities in the implementation of the National Strategic Area (3) of AML/ CFT

4. In order to achieve full compliance in the implementation of the national strategic area (3) on combatting money laundering and the financing of terrorism, member banks of MBA put utmost efforts to effectively implement the AML/CFT prioritised areas such as facilitating the delivery of training on AML/CFT; carrying out the verification of information sources professionally; ensuring accuracy in obtaining information (KYC/CDD) on the customers and the beneficial owner including the contact person with the bank; and verifying the information received / maintaining the completeness of the information.

5. In addition, member banks are working together to develop and implement the AML/CFT policy and procedures to be followed. As a result of such cooperation, banks

are aiming for 100% success in the implementation of the national strategic area (3) on AML/CFT.

Reporting to and complying Directives/ Instructions of the Financial Intelligence Unit (FIU)

6. The MBA member Banks have been submitting timely information about suspicious transaction and customer information with regard to money laundering/ terrorist financing, to the Financial Intelligence Unit. In relation to these reports, banks are providing additional information requested by Law Enforcement Agencies and the Central Bank of Myanmar. Banks shall freeze a bank account/assist in seizure of financial assets at the behest of an authority e.g., order of Anti-Corruption Commission under the Anti-Corruption Law, Central Committee for Counter Terrorism under the Counter Terrorism Law, Financial Intelligence Unit under the Anti-Money Laundering Law (AML Law), by Court Order or police warrant . According to the decision of the court, confiscation and seizure of financial assets are required to carry out as per provisions of the AML and CFT Law, and properly handed over to the authorities according to the Law, order and instructions.

Organizing and Conducting AML/CFT awareness training

7. The Myanmar Banks Association is conducting awareness basic training courses to increase the knowledge of AML/CFT for those who are working in the banks, including the compliance staff of the member banks. The basic course includes AML Law, FATF 40 Recommendations, awareness of AML/CFT policy and internal control, and terms & definition of AML. The basic course was conducted jointly with the Banking Training School under the MBA. Up to date, 5 basic training courses have been conducted and a total of 408 employees from member banks have attended.

8. In addition, under the leadership of the Central Bank of Myanmar, a training course on AML/CFT was given to senior management level of the member banks, and 36 senior management level officers from various banks attended. The first AML/ CFT Certificate training course for the banks' compliance officer has been conducted in collaboration with Central Bank of Myanmar, Financial Investigation Unit (FIU) and the Special Investigation Department under the Ministry of Home Affairs. A total of 87 compliance officers from member banks have completed attending the course.

9. In addition, each and every member banks have their own program for enhancing awareness and knowledge on AML /CFT by conducting series of workshops, training courses and seminars targeting their officers/employees and the BOD members to strengthen compliance with AML/CFT measures and achieve the significant progress in implementation of AML/CFT regime. These programs are

successfully conducted in collaboration of experts from the Attorney General Office, FIU, and the CBM.

Knowledge sharing on Proliferation

10. In order to raising awareness on proliferation of weapons of mass destruction (WMD), knowledge dissemination on the proliferation topic was included in the certificate-level training course on AML/CFT being implemented for the banks' compliance officers.

Member Banks' Cooperation

11. Since the **Prudential/ AML-CFT/ Fraud/ Risk Committee**, has been a sub-committee of MBA and is composed of compliance officers from the member banks, it is a great opportunity for member banks to cooperate on AML/CFT related matters, and also promoting compliance culture within the MBA member banks. Efforts are being made by MBA to provide not only promoting AML/CFT knowledge but also other necessary training courses to all member banks' employees.