

The background features a dark blue world map with faint white grid lines. Overlaid on the map are several semi-transparent data visualization elements, including a bar chart at the bottom and a circular gauge or chart on the left side.

GovRisk

The International Governance & Risk Institute

Anti-Money Laundering in Myanmar: Post-Mutual Evaluation Report (MER)

British Chamber of Commerce, Myanmar
Discussion - 12th December 2019



FINANCIAL SECTOR AND
INTELLECTUAL PROPERTY
PROGRAMME



Background

- FCO & PWC & GovRisk : Background to Consortium Partners
- Project Timeframe: Aug 2019 – Mar 2022
- September 2019: In-Country AML Lead deployed for 3 years
- October 2019: FSIP AML Workstream now progressed from Inception to Implementation



FINANCIAL SECTOR AND
INTELLECTUAL PROPERTY
PROGRAMME



Work Packages

- AML_MMR_01: National coordination and risk-based approach
- AML_MMR_02: Improving AML/CFT related regulation and supervision in the financial sector
- AML_MMR_03: Supporting improved financial sector AML/CFT compliance - in particular STRs and CDD
- AML_MMR_04: Improving the quality and use of Financial Intelligence
- AML_MMR_05: Improving the prosecutions capacity of the Union Attorney General's Office (UAGO)



FINANCIAL SECTOR AND
INTELLECTUAL PROPERTY
PROGRAMME



Key In-Country Stakeholder Engagement

- Myanmar Financial Intelligence Unit (MFIU)
- Central Bank of Myanmar (CBM)
- Financial Regulatory Department (FRD): Ministry of Planning & Finance (MOPF)
- Union Attorney General's Office (UAGO)

Other Stakeholder Engagement:

- Law Enforcement Counterparts
 - Bureau of Special Investigation (BSI)
 - Anti-Corruption Commission (ACC)



Anti-money laundering
and counter-terrorist
financing measures

Myanmar

Mutual Evaluation Report

September 2018



THE MUTUAL EVALUATIONS

MYANMAR MER RESULTS

TECHNICAL COMPLIANCE

	FATF Recommendations																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Report ratings	PC	LC	C	LC	LC	LC	NC	PC	C	PC	C	PC	PC	NC	LC	LC	C	C	LC	C

	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
Report ratings	LC	PC	PC	NC	NC	PC	C	NC	PC	LC	LC	PC	PC	PC	PC	PC	PC	PC	PC	LC

THE MUTUAL EVALUATIONS

MYANMAR MER RESULTS EFFECTIVENESS

1	2	3	4	5	6	7	8	9	10	11
L	L	L	L	L	M	L	L	L	L	L

Ratings:

L = Low M = Moderate S=Substantial H=High

Immediate Outcomes

1. Risk, Policy & Coordination
2. International cooperation
3. Supervision
4. Preventive Measures
5. Legal persons & arrangements
6. Financial Intelligence ML/TF
7. ML investigation & prosecution
8. Confiscation
9. TF investigation & prosecution
10. TF preventive measures & financial sanctions
11. PF sanctions

MYANMAR'S RESULTS

CURRENT SITUATION OF MYANMAR

Myanmar referred to ICRG process on 3 of 4 criteria:

3 or more PC/NC for Recommendations 3, 5, 6, 10, 11, 20		----- -----
20 or more PC/NC for all the Recommendations	✓	22 PC/N C
9 or more M/L for the 11 Immediate Outcomes (with a minimum of 2 L ratings)	✓	11 M/L (10 L)
6 or more L for the 11 Immediate Outcomes	✓	10 L

Ratings to target for Upgrades

Effectiveness

L = Low M = Moderate S=Substantial H=High

	1	2	3	4	5	6	7	8	9	10	11
Report ratings	L	L	L	L	L	M	L	L	L	L	L
Target upgrades	S		M			S	M		S	M	

Immediate Outcomes

1. Risk, Policy & Coordination
2. International cooperation
3. Supervision
4. Preventive Measures
5. Legal persons & arrangements
6. Financial Intelligence ML/TF
7. ML investigation & prosecution
8. Confiscation
9. TF investigation & prosecution
10. TF preventive measures & financial sanctions
11. PF sanctions

GREY LIST: CONSEQUENCES

FORMAL CONSEQUENCES:

- Review every four months.
- Passage to the public statement (black list) for non-compliance with the action plan.

GREY LIST: CONSEQUENCES

MATERIAL CONSEQUENCES:

a) For the financial sector:

Foreign financial institutions could limit transactions with their peers of countries incorporated in FATF listings, or make them more expensive by subjecting them to greater scrutiny, including ending correspondent relationships or closing credit lines.

GREY LIST: CONSEQUENCES

b) For the wider economy:

Legitimate companies that operate in a country with a bad international reputation can see their access to international markets reduced, or at a higher cost, because they are subjected to greater scrutiny in relation to their **owners**, their **company structure** and the **control systems implemented**, to avoid being used by criminals.

GREY LIST: CONSEQUENCES

c) For the public sector:

Public entities in a country with a bad international reputation may have limited access to international cooperation.

CURRENT GREY LIST (December 2019)

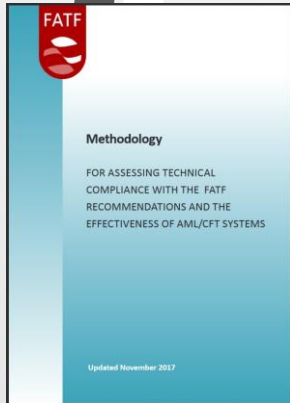
- The Bahamas
- Botswana
- Cambodia
- Ghana
- Iceland
- Mongolia
- Pakistan
- Panama
- Syria
- Trinidad and Tobago
- Yemen
- Zimbabwe

CRITERIA FOR EXCLUSION FROM THE LIST

The concerned jurisdiction is expected to **complete all, or nearly all, the actions included in the action plan** developed in consultation with the ICRG. Such actions may include the enactment or amendment of laws, the promulgation of new regulations that comply with international standards and any other measures included in the action plan.

In addition, the concerned jurisdiction is expected to have maintained its full cooperation with the FATF/FSRB and the ICRG.

Key Documents



National Risk Assessment (NRA)
Full Version
English Version

National Risk Assessment (NRA)
Executive Summary
English Version

AMLCB
National Strategy on AML/CFT
English Version

(No Myanmar Version of FATF Methodology)

Mutual Evaluation Report (MER)
Myanmar Version

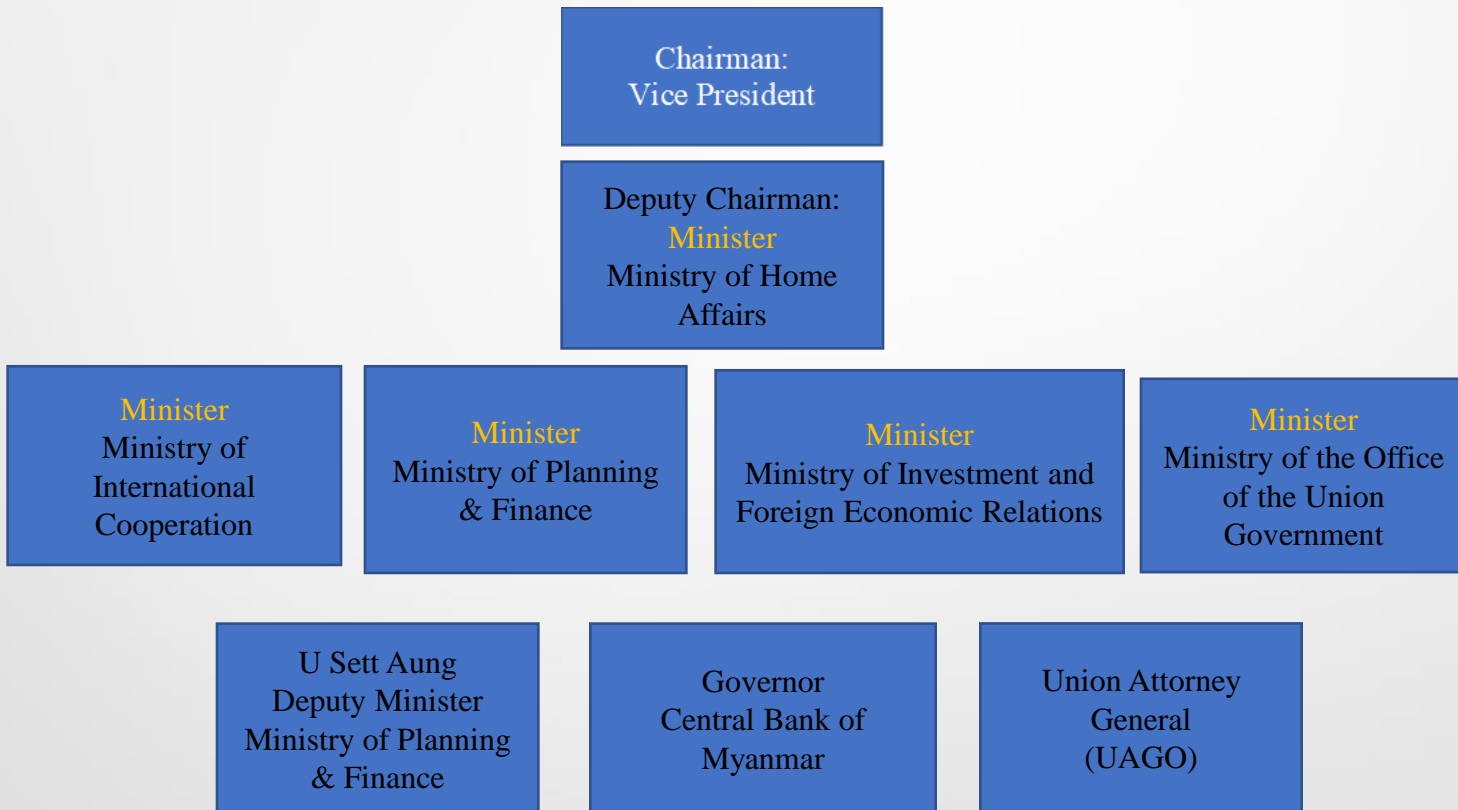
National Risk Assessment (NRA)
Full Version
Myanmar Version

National Risk Assessment (NRA)
Executive Summary
Myanmar Version

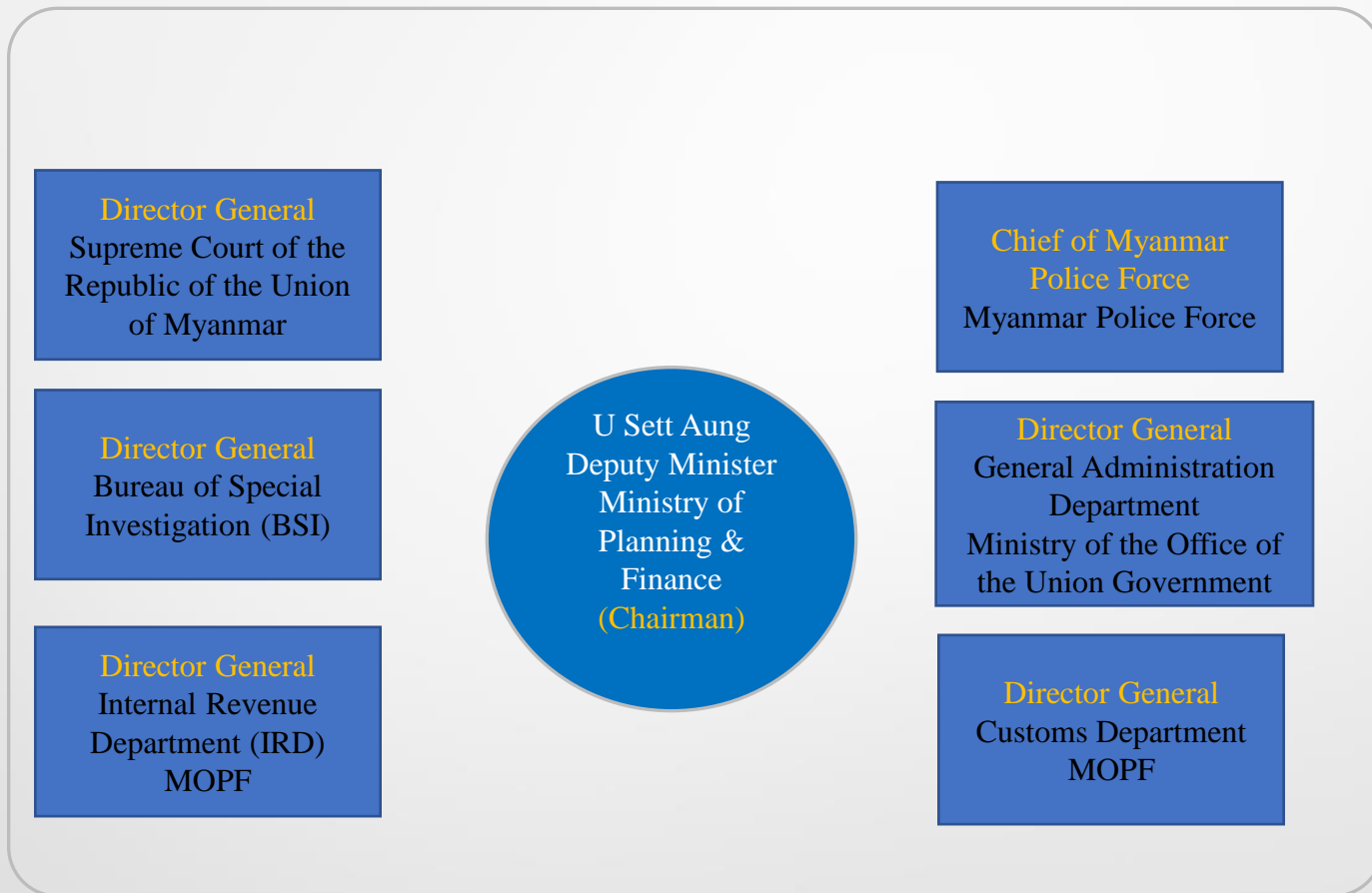
AMLCB
National Strategy on AML/CFT
Myanmar Version

Myanmar National Mechanisms for AML/CFT Reform

Steering Committee



Myanmar National Mechanisms for AML/CFT Reform



Myanmar National Mechanisms for AML/CFT Reform

Strategic Area I:
SISC led by
Deputy Attorney
General

Strategic Area
II:
SISC led by
Chief of MFIU

Strategic Area
III:
SISC led by
Governor of
CBM

Strategic Area IV:
SISC led by
Chief of
Myanmar Police

Strategic Area
V:
SISC led by
Deputy Minister
of MOHA

Regulation/ Directive	No. / When it was passed
AML Order	President's Office Order No.45/2019, 14 th November 2019
Revised CDD Directive for Banks	No. 18/2019, 15 th November 2019
CDD Directive for NBFIs	19/2019 15 th November 2019
CDD Directive for Microfinance	No. 2/2019, 13 th November 2019
CDD Directive for Insurance, Agents and Brokers	No. 4/2019, 13 th November 2019
CDD Directive for Securities	No. 1/2019 8 th November 2019
Remittance Business Regulation	No. 21/2019 15 th November 2019
Order on High Risk Countries	AML CB Order No. 8/ 2019 4 th December
MFIU Notice on High Risk Countries	26 th November 2019
NRA Executive Summary	Published 2018
Myanmar Companies Law	2017 (enacted 2018)
Directive on BO	No. 17/2019 15 th November 2019

Q&A

Contact us:

Avaneesh Raman (In-Country Lead, FSIP AML Workstream):
avaneesh.raman@govrisk.org

Nicolas Le Moignan (Director, Bespoke Training & Consultancy):
nicolas.lemoignan@govrisk.org

Polly Calvert (International Projects Manager):
polly.calvert@govrisk.org