

# LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

Republic of the Union of Myanmar  
Central Bank of Myanmar

27<sup>th</sup> April 2020

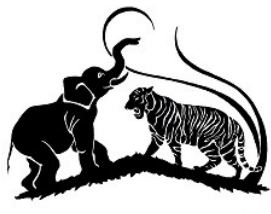
## Directive No. 8/2020

**Subject: Reduction of the Central Bank interest rate; interest rates on deposits and loans**

Reference: (1) Central Bank of Myanmar Directive No. 1/2020 dated 12<sup>th</sup> March 2020  
(2) Central Bank of Myanmar Directive No. 4/2020 dated 24<sup>th</sup> March 2020

1. With the objective of promoting the economic development of the country, the Central Bank of Myanmar ordered the reduction of the Central Bank interest rate and the interest rates on deposits and loans by 0.5% with referenced notice (1) and by 1.0% with referenced notice (2) according to section 41(i) Myanmar Central Bank Law.
2. With the objective of promoting the economic development of the country, the Central Bank of Myanmar amends the Central Bank interest rate by 1.5% from 8.5% to 7.0% per year according to section 41(i) Myanmar Central Bank Law 2013.
3. The interest rates on deposits and loans to be paid or imposed by banks are now reduced as follows -
  - (a) The minimum interest rate to be paid on saving deposits, savings certificates and fixed-term deposits shall not be lower than 2% below the Central Bank interest rate (7.0% - 2.0% = 5.0%).
  - (b) The interest rate on loans secured with land, buildings, gold, gold jewellery, gems, jewellery, savings certificates, government treasury bonds, fixed-time deposits (part-time deposits), bonds, negotiable instruments, a pledge, credit guarantee or other security specified by the Central Bank from time to time shall not be higher than 3% above the Central Bank interest rate (7% + 3% = 10%).
  - (c) Apart from loans secured as specified in paragraph (b), the interest rate on loans secured by other types of security and on unsecured loans shall not be higher than 14.5%.
  - (d) The maximum interest rate that banks may collect is inclusive of fees such as guarantor fees and management fees.

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4. The reduced interest rates according to this directive shall come into force on 1<sup>st</sup> May 2020.

(Signed)

Soe Thein (on behalf of the Governor)  
Deputy Governor

### About Lincoln Legal Services (Myanmar) Limited

Lincoln Legal Services (Myanmar) Limited provides the full range of legal and tax advisory and compliance work required by investors. We pride ourselves in offering result-oriented work, high dependability and a fast response time at very competitive prices. Please do not hesitate to contact us:

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