



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

NEWSLETTER 93 - 14th July 2022

Dear Readers,

Central Bank orders moratorium on the repayment of cross-border loans

This is just to inform you that, in addition to revoking the short-lived exemption of foreign-invested DICA companies from compulsory conversion, the CBM on 13th July 2022 also ordered a **moratorium on the repayment of cross-border loans** ([English translation of CBM Letter No. FE-1/744 \(ka\)](#)).

Cross-border loans taken up by companies and other organisations resident in Myanmar require prior CBM approval. The CBM has now suspended “for the time being” the repayment of such loans (principal and interest). This means that local borrowers are currently unable to service loans obtained from abroad.

The CBM requires local banks to “coordinate a repayment schedule” between local borrowers and foreign lenders in order to effect the suspension. Currently, no further details are provided.

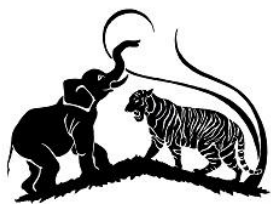
At least theoretically, loans extended by the Myanmar branch of a foreign bank should not be covered by the moratorium as technically, such a loan would not be a cross-border loan.

Business persons are quoted as saying that this is the first time since “at least 1988” that local borrowers have been prevented from servicing cross-border loans.

We hope that you have found this information useful.

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Managing Director

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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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