



LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

**Republic of the Union of Myanmar
State Administration Council
Notification No. 70/2023
1385, 1st Waxing Day of Thadingyut
(15 October 2023)**

Standard operating procedures (SOP) for obtaining information, investigating and taking action in order to prevent and protect against financial frauds through a telecommunication network

The State Administration Council has issued these standard operating procedures (SOP) for the cooperation of the Central Bank of Myanmar with relevant ministries when obtaining information, investigating and taking action to prevent and protect against financial frauds through a telecommunication network by groups of citizens and foreigners.

Chapter 1 Name and definitions

1. These procedures shall be called standard operating procedures (SOP) for obtaining information, investigating and taking action in order to prevent and protect against financial frauds through a telecommunication network.
2. The expressions contained in these procedures shall have the meanings set forth in the Central Bank of Myanmar Law, the Financial Institutions Law, and the Mobile Financial Services Regulation.

Chapter 2 Obtaining information

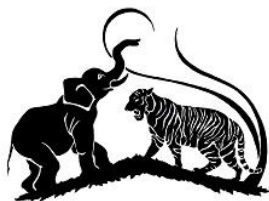
3. The Central Bank of Myanmar shall deal as follows with the points that mobile financial services providers have to comply with according to the Mobile Financial Services Regulation when operating mobile financial services and with matters to be carried out according to the Mobile Financial Services Regulation:
 - (a) Monitoring and reviewing whether mobile financial services providers comply with the Mobile Financial Services Regulation;
 - (b) Systematically recording the number of agents of mobile financial services providers who will operate mobile financial services according to region, state, district, township, or ward and village;

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- (c) directing mobile financial services providers and their agents to obtain the address, citizenship scrutiny card and telephone numbers of the customer in full when conducting financial transactions using mobile financial services, and directing mobile financial services providers to arrange for the interruption of the withdrawal process if such information is not fully obtained;
 - (d) mobile financial services providers and their agents may, when paying out money to a customer, pay out money only if the customer can show the original SMS with the transaction number and the original citizenship scrutiny card and only at the location specified as the withdrawal address;
 - (e) making technical improvements to mobile financial services to implement the points in paras. (c) and (d);
 - (f) reviewing and issuing registration certificates to mobile financial services providers according to regulations 4, 5 and 6 Mobile Financial Services Regulation;
 - (g) reviewing whether the mobile financial services provider submits information about the agent to the Central Bank of Myanmar within 2 weeks from appointing an individual or organisation as an agent;
 - (h) supervising and controlling the relevant banks and mobile financial services providers in order to improve the security level and technology of the bank accounts and mobile financial services accounts so that others may not access and use bank accounts and mobile financial services accounts that were opened with various banks and mobile financial services providers.
4. The Central Bank of Myanmar will allow the use of agents by mobile financial services providers based on information submitted by the mobile financial services providers.
5. In order to be able to prevent and protect against the commission of offences of financial fraud by foreigners using a communication network, the relevant ministry shall scrutinise failures to report and visa overstays as follows in relation to foreigners entering and staying in Myanmar:
- (a) The assigned inspection teams under the Central Committee for the Supervision and Care of Foreigners, which was set up by the State Administration Council in 2021 with Notification 38/2021, shall review and supervise the reports submitted according to the 1948 Registration of Foreigners Rules by managers, owners or housing committees with the forms to be filled in for a hotel, home, apartment, building or other premises that



- may be let to foreigners, and officials from the Ministry of Home Affairs and from the Ministry of Immigration and Population conduct regular inspections on the ground;
- (b) the relevant Department of Immigration and Population, General Administration Department and local Police Force in cooperation conduct regular inspections on the ground as to whether the relevant landlords and hotel or guesthouse owners submitted reports to the Department of Immigration and Population according to the Registration of Foreigners Act and the 1948 Registration of Foreigners Rules;
 - (c) the Ministry of Immigration and Population sends in a timely manner the list of foreigners who overstayed their visa to the Ministry of Home Affairs and the Ministry of Foreign Affairs for review.
6. The managers, owners or housing committees shall in a timely manner report to the offices of the Ward or Village Tract Administration Office, the local Police Force and the Township Department of Immigration and Population on the issue of allowing foreigners tenancy in a hotel, home, apartment, building or other premises that may be let to foreigners.

Chapter 3

Investigating and taking action

7. In order to close bank accounts or mobile financial services accounts opened with forged citizenship scrutiny cards, the following shall be done:
- (a) Mobile financial services providers proceed according to the guidelines of the Mobile Financial Services Supervisory Committee;
 - (b) If the relevant law enforcement organisation finds that bank accounts or mobile financial services accounts were opened with forged citizenship scrutiny cards, proceed in accordance with the law and send the matter to the Financial Intelligence Unit (FIU) for review of suspicious financial flows;
 - (c) the relevant law enforcement organisations submit the matter to the Central Bank of Myanmar so that the bank accounts or mobile financial services accounts opened with a forged citizenship scrutiny card may be closed;
 - (d) the Central Bank of Myanmar will close after review the accounts submitted for closure and credit the balance of these accounts to a non-withdrawal (“unclaimed funds”) account.



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8. The Central Bank of Myanmar shall supervise compliance with the guidelines on combating money-laundering and the financing of terrorism and existing banking procedures that banks have to follow when carrying out wire transfers in mutual transactions between local and foreign banks.
9. The Central Bank of Myanmar:
 - (a) Shall, if mobile financial services providers notify the occurrence of a matter listed in regulation 22(a) Mobile Financial Services Regulation, notify the Ministry of Home Affairs and the Ministry of Transport and Communications.
 - (b) Shall take action according to regulation 24 Mobile Financial Services Regulation against mobile financial services providers who fail to notify a matter in sub-para. (a).
10. If banks and mobile financial services providers open bank accounts and mobile financial services accounts for foreigners in Myanmar, they shall review documentary evidence when opening the bank account or mobile financial services account for the foreigner, such as the passport, visa and stay permit (not yet expired), source from which kyats are obtained, recommendation from the employer company in case of a working resident, photograph of the person opening the account (taken on location), proof of address and residence, and other necessary documents, to be requested and reviewed carefully.
11. The relevant Township Department of Immigration and Population shall check according to the Foreigners Registration Act, the 1948 Registration of Foreigners Rules and the 1947 Myanmar Immigration (Emergency Provisions) Act whether foreigners overstay their visas, violate visa terms [*literally, "disciplines"*], fail to reside in the specified place, or violate the law, and if there are violations of the law, take action in accordance with these laws.
12. In order to ensure that foreigners enter and reside in Myanmar in an orderly manner:
 - (a) The Ministry of Immigration and Population shall, concerning the entry of foreigners into Myanmar, cooperate with the Myanmar Police Force concerning the issuance of entry visas and the extension of stay permits and engage in strict enforcement;
 - (b) the Ministry of Foreign Affairs shall, if Myanmar embassies become aware of suspicious foreigners when issuing visas to foreigners, send relevant information to the Ministry of Home Affairs and the Ministry of Immigration and Population;
 - (c) the Ministry of Home Affairs and the Ministry of Immigration and Population shall cooperate in cracking down on these foreigners using the information sent according to sub-para. (b);



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- (d) the Ministry of Defence, Ministry of Foreign Affairs, Ministry of Home Affairs, Ministry of Transport and Communications, Ministry of Investment and Foreign Economic Relations, and the Ministry of Information shall participate in the building of a technology-based reporting system, led by the Ministry of Immigration and Population, that all relevant ministries can connect to and use in order to access information in a timely manner concerning the entry or departure of foreigners.
13. The Ministry of Transport and Communications shall cancel telephone SIM cards registered with forged citizenship scrutiny cards and SIM cards that do not comply with the registration terms [*literally, "disciplines"*]:
- (a) Telephone SIM cards shall be checked against the citizenship database ("national database") of the Ministry of Immigration and Manpower through the SIM Registration Management System;
- (b) an SMS shall be sent to those who registered with an invalid citizenship scrutiny card, intimating them to re-register correctly within 30 days. If not correctly registered within 30 days, to make a one-way block (outgoing call/SMS/data usage shutdown/suspension). To close if there is no registration within 90 days after the one-way block.
14. Regarding an application for company registration, the Ministry of Investment and Foreign Economic Relations shall, if a telecommunications network applies, check whether the information submitted to the registrar according to section 6(b) Myanmar Companies Law is correct, and if it finds that the information included in the application is not correct as per the legal requirements, not issue a certificate of incorporation of the company, and only issue the certificate of incorporation of the company if the legal requirements are met; the registrar shall check whether the operation is in accordance with the Myanmar Companies Law.
15. In order to identify financial frauds from a telecommunication network and make arrests in a timely manner, private banks, mobile financial services providers and their agents shall comply with the guidelines of the Central Bank of Myanmar and the Mobile Financial Services Supervisory Committee.
16. In relation to financial frauds committed from a telecommunication network using technology:
- (a) Relevant law enforcement organisations such as the Myanmar Police Force and the Bureau of Special Investigation as well as other organisations that have the right to prosecute under the law shall notify the financial information of the suspects in a timely manner to the Financial Intelligence Unit;



- (b) the Financial Intelligence Unit shall in a timely manner communicate with the Central Bank of Myanmar and relevant banks, obtain information, and respond to the law enforcement organisations such as the Myanmar Police Force and the Bureau of Special Investigation as well as other organisations that have the right to prosecute under the law;
 - (c) the relevant law enforcement organisations such as the Myanmar Police Force and the Bureau of Special Investigation as well as other organisations that have the right to prosecute under the law shall, in order to obtain required information about the communication of the suspects in a timely manner, make a submission to their respective ministries and act in a timely fashion so as to be able to make requests to the Ministry of Transport and Communications.
17. The Military Security Affairs Force and the Criminal Police Force shall exchange information for timely access to information of the offender when identifying and arresting culprits of financial frauds using a telecommunication network.
18. If citizens and foreigners form a group and commit financial frauds through a telecommunication network, a case shall be opened and action taken according to the laws in force.

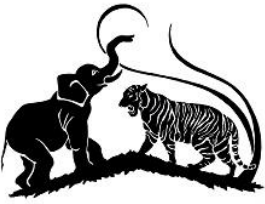
Chapter 4 Prevention

19. Regarding the opening of a mobile financial services account through a telecommunication network with a citizenship scrutiny card in the mobile financial services industry, mobile financial services providers:
- (a) Shall establish a verification system where the agents of the mobile financial services provider match the person with the original citizenship scrutiny card after completing the know-your-customer (KYC) procedures for those who open a mobile financial services account;
 - (b) may not open a mobile financial services account if incomplete, suspicious information is found about the account openers in sub-para. (a) by virtue of the know-your-customer (KYC) *[procedure]* or the citizenship scrutiny card.
20. The Central Bank of Myanmar shall carry out awareness campaigns for proper reporting to the Financial Intelligence Unit as per reporting obligations according to the Anti-Money Laundering Law if banks and financial institutions detect suspicious financial transactions.



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21. If border security posts detect illegal border crossings by foreigners on land or on water, this shall be reported step-by-step to the Ministry of Defence, the Ministry of Home Affairs, and the Ministry of Immigration and Population.
22. To prevent the forgery of citizenship scrutiny cards, the Ministry of Immigration and Population shall improve the security level of the electronic identification (e-ID) system that it is currently implementing, and of the national scrutiny cards.
23. The Central Bank of Myanmar shall coordinate with the Ministry of Home Affairs so that banks can conduct awareness campaigns in various ways through state-owned and private media based on case studies, concerning the damages to which those will be exposed who open bank accounts with citizenship scrutiny cards and sell the accounts to others.
24. Regarding financial frauds using a telecommunication network, the Ministry of Home Affairs, the Ministry of Information and the Central Bank of Myanmar shall cooperate to do the following for widespread awareness campaigns in order to make the public aware and immune:
 - (a) Raising public awareness in various ways through the state-owned media, in order to galvanise the public;
(including Information and Public Relations Offices)
 - (b) bank organisations and mobile financial services providers shall make arrangements to enable relevant parties to clarify things at press conferences;
 - (c) distributing news releases by relevant parties within the “information team,” which includes private local and foreign media;
 - (d) supporting awareness campaigns throughout the media;
 - (e) relevant banks and services providers shall promote awareness so that the public is aware of the official online addresses used by banks and mobile financial services providers;
 - (f) when informing the public, all banks and mobile financial services providers shall be able to publish in a uniform manner as prescribed.
25. Mobile financial services providers may open mobile financial services accounts only with “level 2” after having obtained full know-your-customer (KYC) intelligence.
26. As it has been found that the logos of banks are used in financial frauds using a telecommunication network, banks shall use secret security markers in their logos.



27. In order to prevent financial frauds through a telecommunication network using technology:
- (a) The Ministry of Home Affairs, the Ministry of Transport and Communications, the Central Bank of Myanmar, and the Ministry of Immigration and Population shall apply themselves to strict review so that bank accounts and mobile pay accounts are not opened through the sale of bank accounts via a telecommunication network, through the purchase of bank accounts that were opened by poor persons who were tricked into it, or with forged citizenship scrutiny cards;
 - (b) the Ministry of Home Affairs, the Ministry of Transport and Communications, and the Central Bank of Myanmar shall apply themselves to strict review so that there are no financial frauds using technology in a telecommunications network and step-by-step remittance abroad of money obtained by purchasing SIM cards from someone else;
 - (c) the Ministry of Home Affairs and the Ministry of Transport and Communications shall monitor to obtain information, search for, and investigate undercover those who commit financial frauds in a telecommunication network using social media, web sites, or mobile applications;
 - (d) the Ministry of Home Affairs and the Ministry of Transport and Communications shall improve technology in order to investigate and shut down suspicious social media;
 - (e) the Ministry of Transport and Communications and the Ministry of Home Affairs shall cooperate to shut down websites that are being suspected of being a conduit for crime;
 - (f) the Myanmar Police Force shall cooperate with the International Criminal Police Organization (INTERPOL) concerning financial fraud methods using a telecommunication network.

By order

Aung Lin Dwe
Lieutenant-General
Secretary

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About Lincoln Legal Services (Myanmar) Limited

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