

Central Bank of Myanmar
Regulations on mobile financial services
(Financial Law / Regulation / 01 / 03-2016)
(March 30, 2016)

The Central Bank of the Republic of the Union of Myanmar has exercised its authority under Sections 132 and 184 of the Financial Institutions Law in order to provide efficient and effective mobile financial services in Myanmar.

Chapter 1

Name Relevancy and definition

1. These Terms shall be referred to as the Rules for Mobile Financial Services .
2. These terms apply to mobile financial service providers.

Definition

3. The following expressions contained in these Terms shall apply as follows:
 - (a) **Mobile Financial Services (MFS)** means payment and financial services provided using mobile technology.
 - (b) **Mobile Financial Services Provider (MFSP)** means a mobile network operator or non-bank financial institution issued by the Central Bank under this Regulation.
 - (c) **Agent** means a person who provides mobile financial services services on behalf of a mobile financial services provider under a proxy agreement.
 - (d) **Agency** is a mobile financial service providers to communicate through one of his representatives, mobile financial services, said support
 - (e) **Agent agreement** means an agreement between a mobile financial services provider and an agent ;

- (f) **Cash float (Float)** is a mobile financial service provider is its responsibility to communicate anytime and has compiled a list of mobile financial balance, total, this is a bank the man financially mobile service provider must set ₤ trustee, the amount of cash
- (g) **Communication** is a list of mobile financial office. Any person or organization that receives mobile financial services, whether or not it is open.
- (h) **Merchant** means a person who trades in goods and services;
- (i) **Mobile Financial Account (MFS Account)** means that the mobile financial service provider stores a contact value on his / her mobile phone in order to provide mobile financial services.
- (j) **Mobile network operator (MNO)** means a business organization licensed under the Telecommunications Law.

Chapter (2)

Mobile Financial Services Registration Certificate

- 4. A person or organization wishing to act as a mobile financial services provider must establish a separate company under the Myanmar Companies Act and apply for registration with the Central Bank in accordance with the stipulations to provide mobile financial services. This provision shall not apply to commercial banks.

Requirements for application

- 5. **Applicants for Mobile Financial Services:**
 - (a) At least three billion kyats of capital must be invested;
 - (b) The following documents and information shall be submitted when applying for registration certificate to the Central Bank:
 - (i) Registration fee which is 0.1% of the capital;

- (ii) process and nature of mobile financial services;
 - (iii) types of mobile financial services you want to provide;
 - (iv) location of business; Agent Network A business plan for the next three years, which includes information on proposals and hiring rates;
 - (v) details, including information on the applicant's board of directors and senior executives;
 - (vi) the Ministry of Communications and Information Technology has no objection to the mobile network operator and the non-bank financial institution has no objection from the regulator of that organization.
 - (vii) other information and documents required by the Central Bank.
6. The Central Bank will respond and decide whether to reject or approve the application within 90 days from the date of receipt of the full application.

Fees and expenses

7. The central bank may, from time to time, set fees and rates available to mobile financial service providers to prevent monopolies in the mobile money market.

Chapter 3

Appointment of Agent and Responsibilities of Agent

Requirements for appointing a representative

8. (a) The mobile information service provider shall submit the following information to the Central Bank within two weeks after appointing a person or organization as a representative:
- (i) Name of the representative;

- (ii) the location of the agent business and the permanent address of the business;
 - (iii) Full contact information of the agent;
 - (iv) Information that differs from the provisions of the Standard Agent Agreement.
- (b) The mobile financial service provider shall send a notice to the Central Bank within two weeks in the event of any change in the information mentioned in paragraph (a).

Use of Central Bank regulations and agents

9. (a) Mobile financial services provider:
- (i) may use the Agent exclusively or in conjunction with the Agent to provide services to the Communications;
 - (ii) Do not have a separate representative for your business.
 - (iii) be legally responsible for all activities relating to the mobile financial services provided by his appointed agents and matters related to that business;
 - (iv) The internal audit report of the department shall be submitted to the Central Bank six months after the commencement of the mobile financial services business.
 - (v) the list of appointed representatives; The type of business that the agents are allowed to carry out; The prescribed service fee shall be announced to the public.
- (b) The mobile financial service provider must submit the following to the Central Bank for the purpose of using the agents:
- (i) Where the mobile financial services will be provided by representatives for the next three years; Regional proposals;

- (ii) the policies and procedures that the mobile financial services provider may apply to its affiliates;
 - (iii) Services to be provided through an agent;
 - (iv) A copy of the draft Agent Agreed Standard Agreement;
 - (v) Policies and procedures to be followed in relation to the services to be provided through the agents;
 - (vi) Risk assessment report, which describes ways to remediate potential risks in providing mobile financial services through agents;
 - (vii) the policies and procedures of the agent; versus
 - (viii) Any other information required by the Central Bank.
- (c) The Central Bank shall authorize the use of an agent in the mobile financial services business based on the information presented under paragraph (b).
- (d) Agents shall provide complete information on which mobile financial services provider they are representing and the person contacting the mobile financial services provider.
- (e) Agents shall not be liable to charge any fees other than the service fee authorized by the mobile financial services provider.
- (f) The agents shall inform the contact person of the fees and expenses which they shall receive when opening the account and shall make such fees and expenses shall be made public in the place of work of the agent.

Chapter 4

Responsibilities of a mobile financial service provider

MFSP system and internal control

10. The mobile financial service provider must have at least the following systems and controls for the mobile financial services business:
 - (a) Adequate internal control systems; Strong management; Administrative and accounting procedures;
 - (b) internal Procedures and responsibilities of anti-money laundering law and anti-terrorism law;
 - (c) plans for sustainable and complete disaster recovery and recovery;
 - (d) Effective audit plan to periodically review security measures and critical systems.

Requirement to be kept separate from trust accounts

11. The mobile financial service provider must always open a bank account with a balance equal to 100% of the expected amount. The funds are held as liquid assets and must be kept separate from other accounts of the mobile financial services provider.
12.
 - (a) Liquidity entitlements for the purposes set forth in this Code include the following:
 - (i) deposits held by a mobile financial service provider at a commercial bank in Myanmar (these deposits must be separate from deposits or cash balances related to other activities of the mobile financial services provider);
 - (ii) any other entitlement granted by the Central Bank.
 - (b) The interest or repayment proceeds from the liquidity receivable in the deposit account shall be reported to the Central Bank once a year and

shall be used for the benefit of the liaison as permitted by the Central Bank.

- (c) The Central Bank may prescribe a limited number of mobile financial accounts in a mobile financial account opened on behalf of the mobile financial services provider in any bank.

Negotiation of deposit account

- 13. The mobile financial service provider must always adjust the balance of the deposit and the balance in the trust account no later than 4:00 pm daily.
- 14. (a) The mobile financial service provider shall replenish the liquidity receivable amount in the trust account if it is less than the expected amount, not later than 12:00 noon on the day after the date of the deduction;
- (b) The mobile financial services provider shall not open new mobile financial accounts until the inconsistencies mentioned in paragraph (a) above are corrected.

Mobile Financial Accounting Requirements

- 15. (a) Mobile financial services provider:
 - (i) Mobile currency accounts and services shall be provided in Myanmar Kyats only.
 - (ii) The terms of the agreement between the mobile financial service provider and the mobile account holder must be complied with.
- (b) The mobile financial services provider shall withdraw at any time if the account holder requests a certain amount of money in his mobile financial account.

- (c) If any amount of money in the account is withdrawn, the fee or expense specified in the agreement between the mobile financial services provider and the mobile account holder shall be paid.

Authorized mobile financial services

- 16. (a) The mobile financial service provider has the right to perform the following services:
 - (i) Opening and maintaining mobile financial accounts;
 - (ii) Depositing and withdrawing money to mobile money account;
 - (iii) Money transfer between mobile financial accounts;
 - (iv) Internal payment between individuals;
 - (v) Local payment between person and government;
 - (vi) Local payment service between person and business;
 - (vii) Internal business payment between businesses;
 - (viii) Other activities prescribed by the Central Bank from time to time.
- (b) Mobile financial accounts opened by mobile financial service providers can be linked to the accounts opened in the bank and transactions can be made between those accounts.

Chapter (5)

Anti-money laundering and anti-terrorism financing regulations for mobile accounts

Good knowledge of the communicator and scrutiny

- 17. (a) According to the anti-money laundering and anti-terrorism compliance guidelines, mobile financial accounts are classified into three levels: Level 1 and Level 2 are for individuals, and Level 3 is for registered legal entities.

- (b) It is necessary to know and pay attention to the contact person when opening the mobile financial account and make systematic record.
- (c) In carrying out the service for the mobile financial account, the following contact shall be well known and in accordance with the following rules:

Step	Know the communicator well and focus on the communicator	Limit amount of work per day	Limit amount of work per month	Maximum inventory balance limit
Step 1	(Person For) If required, you will need to provide proof of identity (Citizenship Verification Card (First Priority) / Driver's License (Second Priority) or Passport).	50,000 kyats	1 million kyats	200,000 kyats
Step 2	(For individuals only) SIM Card Registration or Citizenship Verification Card (First Priority) / Driver's License (Second Priority) or Passport Required	200,000 kyats	5 million kyats	1 million kyats
Step 3	(Only for registered legal entities / businesses) Business Registration Number You will need to			

provide the required
documents for the account
to be opened.

1 million kyats 50 million kyats 10 million
kyats

- (d) The mobile financial service provider must ensure that the agent complies with the KYC / Consistent Verification (CDD) rules issued by the Central Bank.
- (e) The Central Bank may, from time to time, adjust the total limits on the volume of mobile financial services and the maximum account balance.
- (f) If the mobile financial service provider opens more than one mobile financial account, the total balance and operating volume of all such accounts shall not exceed the amount specified for each account.
- (g) Payments to merchants and financial institutions and taxes or duties payable to the Government; Payment for invoices shall not be subject to the above limitations;
- (h) The mobile financial service provider must confirm the information for SIM card registration in the SIM card registration database of the mobile network operators within (48) hours after opening the mobile money account.
- (i) If there are any discrepancies in the mobile financial accounts, the accounts shall be temporarily suspended while the disputes are being resolved and resolved.
- (j) Disputes arising from mobile financial accounts shall be closed if they are not resolved within a reasonable time.

Chapter (6)

Supervise mobile payment and clearing system

Technical standards

18. (a) The mobile financial services provider shall comply with the technical standards related to mobile financial services issued by the Central Bank and the Ministry of Communications and Information Technology.
- (b) The mobile network operator shall not discriminate between the information and communication services provided by the mobile financial service provider.

Security, Strength and Performance Plans

19. The mobile financial service provider must have the following plans in place for mobile financial services:
 - (a) Appropriate verification process for all mobile financial services operations and users;
 - (b) Adequate security arrangements for the mobile financial services system;
 - (c) Efficiency and efficiency of mobile financial services.

Central Bank Regulation

20. (a) The mobile financial service provider shall comply with the regulations and supervision of the Central Bank and the provisions of this regulation;
- (b) whether the Central Bank fully complies with the above requirements and the information provided by the mobile financial service provider; Mobile financial services; Check records and ledgers;
- (c) The Central Bank shall have representatives of the mobile financial services provider; Service providers; Records of joint ventures or

entities; You can request and check the ledger and accounting information.

- (d) The mobile financial service provider is responsible for monitoring and overseeing their agents. In addition, the following must be done:
 - (i) to obtain information on the amount and quantity of operations for each type of service provided by each agent;
 - (ii) risk management regulations set by the Central Bank and the mobile financial services provider; To monitor the effective implementation of restrictions and other regulations.

Report submission

- 21 (a) The mobile financial service provider shall submit the reports prescribed by the Central Bank to the Central Bank;
- (b) The mobile financial service provider shall submit to the Central Bank a copy of the audited annual report within three months after the end of the financial year;
- (c) The change or enhancement of the mobile financial service provider payment system of the mobile financial service shall be made only with the permission of the Central Bank. The Central Bank shall be notified of the proposal for such amendment 30 days in advance.

Sending notification letter

- 22. (a) The mobile financial service provider shall immediately notify the Central Bank in writing no later than two business days if the following matters occur:
 - (i) finding suspected or fraudulent facts related to mobile financial services;

- (ii) security breaches that could jeopardize the security and efficiency of the mobile financial services business; Interruption of service or any other significant incident;
 - (iii) Mobile financial service interruption lasts more than two hours;
 - (iv) any indication of loss of confidential information of the mobile financial services system;
 - (v) any other matter prescribed by the Central Bank.
- (b) The mobile financial service provider shall notify the Central Bank within two weeks if the information in paragraph (a) above changes.

Recording

23. (a) The mobile financial service provider provides mobile financial accounts; Contacts Representatives; Accurate and accurate information regarding each contact operator's mobile financial activities and balances and deposit accounts deposited in the bank shall be maintained.
- (b) The mobile financial service provider shall retain such records for at least five years.

Take action for non-compliance

24. (a) The Central Bank may take the following actions against a mobile financial service provider who fails to comply with this regulation and the regulatory regulations issued by the Central Bank from time to time:
- (i) instructing to rectify the failures as soon as possible;
 - (ii) changing the operating procedures and business rules and regulations of the mobile financial services provider;
 - (iii) issuing an order suspending the licensing of mobile financial services or for a limited period in the public interest;

- (iv) Revocation of mobile financial services license.
- (b) The Central Bank shall send a notice to the mobile financial service provider stating that it does not comply and that immediate action is required. However, no notification will be sent in case of issuance of mobile financial services license in accordance with paragraph (a) (3) above.
- (c) The mobile financial service provider shall take immediate action in case of non-compliance with the notification of the Central Bank or amend the business policies and procedures of the mobile financial service provider as necessary.
- (d) If the mobile financial service provider fails to take corrective action within 14 days after receiving the notification letter from the Central Bank, he shall submit the action plan to the Central Bank together with the reasons for not being able to do so.
- (e) The Central Bank may, after receiving the submission in paragraph (d) above, consider the rationale and action plan submitted by the mobile financial service provider and allow another 14 days to make the necessary amendments.
- (f) The Central Bank may revoke the business license issued under section (6) of this regulation if it considers that the matters to be complied with and the satisfactory matters to be complied with by the mobile financial service provider are not complied with.
- (g) The mobile financial service provider may appeal to the Central Bank Board of Directors within 14 days after receiving the termination or suspension order in paragraph (a) (3) above. The central bank will withdraw the order. Decide whether to amend or retain;
- (h) The decision of the Central Bank shall be final and binding.

Chapter 7

Protecting the communicator

Liaison Agreement

- 25 (a) The mobile financial service provider shall open the mobile financial account with the account holders electronically or in person. A written agreement must be signed in person or in person.
- (b) The agreement shall contain at least the following points:
- (i) Identifying facts that can identify the account holder;
 - (ii) It clearly states that the owner has the right to redeem the amount of money in the account.
 - (iii) Complaints grievance redressal procedures and contact information and contact information of the mobile financial services provider.

Disclosure

26. (a) The mobile financial service provider shall make clear the key points of the services to be provided by the communicators;
- (b) The marketing activities of the mobile financial services provider shall be based on general principles of honesty and transparency;
- (c) Email address of the mobile financial services provider; Telephone numbers and addresses must be included in its marketing efforts.
27. (a) The mobile financial service provider shall provide detailed specifications on the type of mobile financial services to be carried out; Service areas for operators; The names and locations of the agents are posted on your website or in person. It must be stated in a way that the communicator can easily find out.
- (b) The mobile financial service provider shall make known to the contact persons the service rates and fee information for the mobile financial

services. In addition, this information must be clearly displayed in the service providers and where the agents' offices are located.

- (c) the mobile financial service provider's email address of the place where the complaint will be resolved; Telephone numbers and addresses must be clearly stated in the service area and where the agents' business is located.
- (d) The mobile financial service provider shall issue a personal identification number to each agent and the agent's unique ID number (Unique ID number) must be clearly displayed at the place of business of the relevant agent.

Informing the contact person

28. (a) The mobile financial service provider may provide the following information electronically or in connection with the mobile financial services provided for the mobile financial account of the telecommunications provider. You must notify us promptly, either by receipt or by receipt.
- (i) Amount of action;
 - (ii) Type of activity;
 - (iii) Fees and fees collected
 - (iv) Unique Transaction Reference.
- (b) within 15 days after the operation of the mobile financial services record of its mobile financial services; It is available free of charge in the form of a document.

Confidentiality

29. Mobile financial services provider; Agents and intermediaries shall keep the contact information and contact information confidential.

Chapter (8)

Receiving complaints

30. The mobile financial services provider must establish effective procedures and procedures for liaison related to the mobile financial services business.

Complaint Procedures

31. The grievance procedure must include at least the following:
 - (a) Providing information about the communicator protection system so that it is readily available during regular business hours and after business hours;
 - (b) orally; Easily file a complaint in writing;
 - (c) setting a time frame for filing complaints; versus
 - (d) Resolve complaints within five working days from the date of receipt of the complaint.
32.
 - (a) In cases where the complaint cannot be resolved within five working days, the mobile financial services provider shall inform the contact person in the prescribed manner that he will take another 10 working days to resolve the complaint.
 - (b) The mobile financial service provider must provide the complainant with the complaint reference number and sufficient information to acknowledge receipt of the contact's complaint and to investigate the progress of the settlement.
 - (c) The mobile financial services provider shall inform the complainant of the results and decision of the investigation on the complaint;
 - (d) The mobile financial service provider shall give the contactor the right to request an upgrade of the investigation for further review of the outcome of the complaint on the basis of his / her complaint.

Submission of grievance information

33. The mobile financial service provider shall submit to the Central Bank quarterly reports on the completion of the action taken by the contact person regarding the mobile financial services service.

Chapter 9

General

34. (a) If the Commercial Bank wishes to carry out mobile financial services, it shall obtain the permission of the Central Bank in accordance with the procedures to be followed for the new service.
(b) The provisions of this regulation are the Financial Institutions Act and the provisions of the § long shall apply to commercial banks.
35. Mobile financial services providers Interoperable mobile financial services that can be integrated with other mobile financial services providers at various levels, depending on market needs, including agent or mobile platform level.
36. The mobile financial services provider and its agents are responsible for the marketing and marketing techniques used. Business logo All signs and activities will be completed in 2016. Do not act like a licensed bank under the Financial Institutions Act .
37. Failure to comply with this rule will result in legal action under the Financial Institutions Act.

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