

IX. CENTRAL BANK PROCEDURES

**Version 1
(28th January 2016)**

IX. Central Bank Procedures

According to the Foreign Exchange Management Law and Regulation, the capital flows especially the offshore loans require the approval of the Central Bank of Myanmar. The capital inflows in terms of equity investment need only to be reported; however, the debt investment or offshore loans (that include bank loans, shareholders' loans and intercompany loans) that will be repaid to abroad in the future require the approval of the Central Bank of Myanmar.

Investors need to apply to the Central Bank Section of One Stop Service Center Thilawa Special Economic Zone with the application form and a copy of Loan Agreement. Once it is approved, each drawdown (inward/ outward) until the total loan amount which has been approved, interest payment and principle repayment as per the schedule stated in the Loan Agreement will not require additional approval from the Central Bank. Instead, the evidences of bank transfer for each transaction of inward/outward loan transaction, interest payment, and principle repayment shall be submitted to the Central Bank Section of One Stop Service Center Thilawa Special Economic Zone.

1. Approval of Offshore Loan

Necessary Documents submitted by Applicant	<ol style="list-style-type: none"> 1. Proposal Letter of Company 2. Loan Agreement attached with repayment schedule 3. Application Form for Approval of Offshore Loans (FORM-CB1) 4. Documents to prove the amount of equity that has been brought-in (e.g., Credit Advice or Bank Statement or Swift Message)
Actual Procedures	<ul style="list-style-type: none"> - The applicant submits application form with required documents to the Front Office of OSSC either in person or online. - The Central Bank Section of OSSC reviews and examines all the submitted documents.
Application Fee	None
Time Frame	- Within three days after submitting the application
Remarks	<ol style="list-style-type: none"> 1. Application Form for Approval of Offshore Loans can be obtained at the One Stop Service Center of the Thilawa Special Economic Zone or the TSMC website: http://www.myanmarthilawa.gov.mm/ 2. The required items to be filled in Proposal Letter of Company are shown in Annex 1.

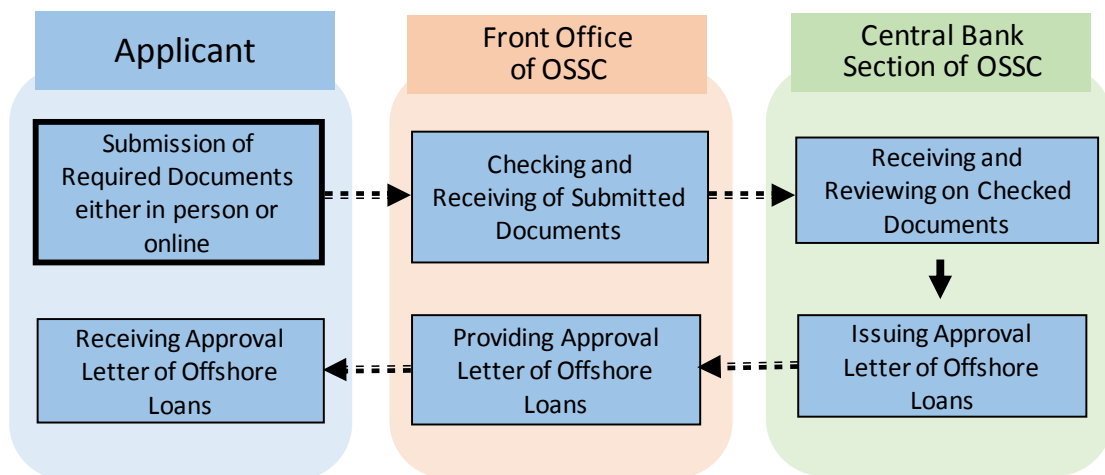


Figure IX-1: Procedure for Approval of Offshore Loans

2. Report on Offshore Loan Transaction (Inward/ Outward)

Necessary Documents submitted by Applicant	<ol style="list-style-type: none"> 1. Cover Letter 2. Record of (Inward/Outward) Loan Transaction (FORM-CB2-1, FORM-CB2-2) (e.g., Credit Advice or Bank Statement or Swift Message)
Actual Procedures	- The applicant submits a report with required documents to the Front Office of OSSC either in person or online within two days after receiving loan amount from abroad.
Application Fee	None
Time Frame	-
Remarks	-

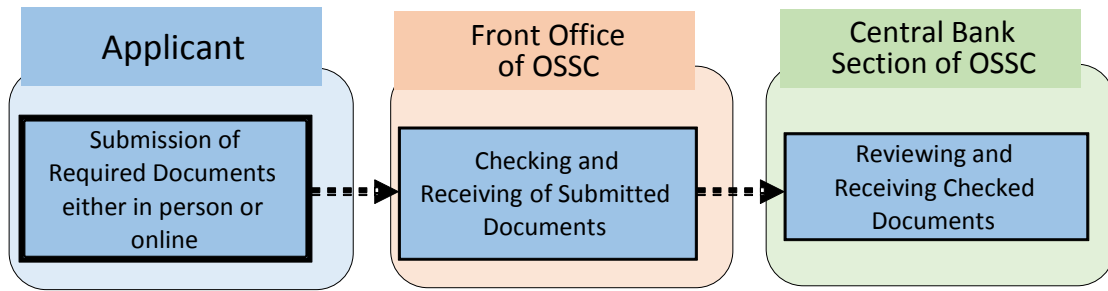


Figure IX-2: Procedure for Report on Off Shore Loan Transaction (Inward/ Outward)

Annex 1: The required items to be filled in Proposal Letter of Company

No.	Items
1	Purpose of Loan
2	Reasons that needs the Offshore Loans
3	Business Plan of Company
4	Interest Rate

List of Form

Form No.	Name
FORM-CB1	Application Form for Approval of Offshore Loans
FORM-CB2-1	Record of Inward Loan Transactions
FORM-CB2-2	Record of Outward Transactions related to approved Offshore Loan

FORM-CB 1

Central Bank of Myanmar
Thilawa SEZ One Stop Service Center
Application for the Approval of Offshore Loans

1 Name of the Company

2 Total capital as mentioned in the investment proposal

Total Capital			
		Debt/equity ratio	
Equity	Debt		
		Equity brought-in %	

3 Amount of equity paid-up capital which has been brought in

4 Amount of current debt

Onshore loan	Offshore loan

5 Proposed offshore loan

5.1 Name of lender

(For multiple lenders with different loan amounts and interest rates, please use separate application forms)

5.2 Amount

5.3 Interest rate

5.4 Repayment period

5.5 A copy of Loan Agreement shall be attached to this Application Form

6 Repayment Schedule

Year	Borrowing Amount	Repayment Amount	Interest	Total	Balance
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					

FORM-CB2-1_Record of Inward Loan Transactions

No.	Borrower Company	Lender Company	Sending Bank in Abroad	Receiving Bank in Myanmar	Permitted Loan Amount by CBM	Inward Remittance Amount	Receiving Date

(Remark – Your Company must attach such documents as ‘Bank Statement’ or ‘Advice of Credit’.)

FORM-CB2-2_Record of Outward Transactions related to Approved Offshore Loan

No.	Borrower Company	Lender Company	Sending Bank in Myanmar	Receiving Bank in Abroad	Permitted Loan Amount by CBM	Type of Transactions (Interest and Principle Payment)	Outward Remittance Amount	Receiving Date

(Remark – Your Company must attach such documents as ‘Bank Statement’ or ‘Advice of Credit.’)

