



The Union of Myanmar

THE UNION OF MYANMAR

Myanmar has a land area of 676,577 square kilometres. As forests cover about 52.3% of the total land area and only about 14.8% is under cultivation, it still has a vast potential of land resources for cultivation and expansion of cultivable land. There is also a great potential for further expansion of mixed and multiple cropping areas especially in lower Myanmar. The Government of the Union of Myanmar introduced a scheme of modernised large-scale commercial farming system by granting rights of land utilisation for the private sector. The present population of the nation is about 56 million. The Myanmar Kyat is officially pegged to the SDR at Kyats 8.50847 per SDR 1. The exchange rates of the Kyat for €, S\$, £, ¥, U S \$, Indian Rupee, Pakistan Rupee, Sri Lanka Rupee and Swiss Franc are determined by daily calculations on the basis of the value of these currencies against the SDR issued by the IMF. The other currencies are determined on the basis of the daily foreign exchange rates of Singapore Market. The average official exchange rate of the currency, the Kyat for the third quarter of 2009 stood at 5.4817 per US Dollar.

CENTRAL BANK OF MYANMAR

Primary Objective The objectives of the Central Bank of Myanmar under the Central Bank of Myanmar Law 1990 are to promote efficient payments mechanisms and liquidity, solvency and proper functioning of a soundly based financial system and to foster monetary, credit and financial conditions conducive to the orderly, balance and sustained economic development.

As of end-November 2008, the banking sector of the Myanmar financial sector consists of the Central Bank at the apex with the four State-owned banks and fifteen domestic private banks. The Central Bank of Myanmar is the regulatory and supervisory authority for the banking industry. The Central Bank of Myanmar's functions also include the regulation and supervision of foreign exchange developments. One of the Deputy Governors of the Central Bank of Myanmar is the controller of the Foreign Exchange.

Policy-Making Body The Central Bank of Myanmar is governed by the Board of Directors. The current Board of Directors consists of the 17 members and the Governor of the Central Bank of Myanmar is the Chairman of the Board of Directors.

Frequency of Meetings The Board of Directors Meeting is conducted at least once every month to deliberate and decide on the general policy for monetary affairs.

MONETARY POLICY IMPLEMENTATION

Objectives To ensure adequate expansion of money supply appropriate to support a growing economy at reasonable stable prices and to promote domestic savings.

Tools Interest rate policy, reserve requirements and open market operations to some extent.

Comments The Central Bank of Myanmar (CBM) has encouraged domestic private banks to strengthen and improve internal management and control. At the same time, the CBM has taken stringent measures for banks to conform to the prudential regulations in order to ensure a safe and sound banking system. Moreover, the CBM also instructs all banks to comply with the provisions of the Control of Money Laundering Law as well as gives necessary instructions and guidelines for AML/CFT.

FINANCIAL STABILITY

Authorities Responsible for Financial Stability

Upon the guidance of the Ministry of Finance & Revenue, the CBM is responsible for financial stability and supervision of the financial sector in Myanmar. The institutional coverage of the financial supervisory authority includes the State-owned Banks and Private Banks in Myanmar.

Two main approaches (on-site examination and off-site monitoring) are currently used for supervisory/regulation and monitoring of financial stability. On-site examination involves assessing banks' financial activities and internal management, to identify areas where corrective action is required and to analyse their banking transactions and financial conditions, ensuring that they are in accordance with existing law, rules & regulations and the instructions of the Central Bank of Myanmar by using the CAMEL.

Off-site monitoring operations are carried out, normally based on the weekly, monthly, quarterly and annually reports which are submitted by the banks to the CBM. The Central Bank has also issued relevant guidelines on the statutory Reserve Requirement, Capital Adequacy, Liquidity, Classification of N.P.L and provision of bad and doubtful debts, single lending limit, etc. The reserve requirement, liquidity and capital adequacy required to be maintained by financial institutions have been prescribed according to the standards of the BIS (Bank for International Settlements). However, the implementation of Basel II will still take a few more years.

Regarding compliance of AML/CFT, the Central Bank of Myanmar has issued necessary instructions to all banks in order to comply with the Control of Money Laundering Law and regulations for AML/CFT.

**CURRENT CHIEF
MONETARY
OFFICIALS**
*(as of end-December
2009)*

Governor	U Than Nyein
Deputy Governor	U Maung Maung Win U Nay Aye
Directors	Daw Ommar Sein Research and Training Department U Maung Maung Accounts Department U Tin Htoo Administration Department U Ye Myint (Mandalay Office) Currency Department Daw Khin Saw Oo Bank Regulation Department U Thein Zaw Internal Audit and Bank Supervision Department U Aung Kyaw Than Security Department U Kyaw Win Tin Currency Department
Deputy Directors	Daw Naw Eh Hpaw Foreign Exchange Management Department U Aung Kyaw Htoo Currency Department (Mandalay Division) U Win Thaw Security Department Daw Than Than Swe Accounts Department U Aung Aung Administration Department Daw Khin Cho Cho Bank Regulation Department Daw Thida Myo Aung Internal Audit and Bank Supervision Department Daw May Malar Maung Gyi Research and Training Department

Assistant Directors U Maung Maung Than
Currency Department

Daw Myint Myint Than
Currency Department

U Myo Min
Security Department

U Ye Aung
Security Department

Daw May Toe Win
Bank Regulation Department

Daw Khine Shwe War
Accounts Department

U Bharat Singh
Administration Department

U Min Han Soe
Administration Department

Daw Thet Thet Hla
Research and Training Department

Daw Tin Tin Than (Mandalay Office)
Currency Department

Daw Win Win San
Internal Audit and Bank Supervision Department

MINISTRY OF FINANCE AND REVENUE

Minister Maj-Gen Hla Tun

Deputy Minister Colonel Hla Thein Swe

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