

REVIEW OF REMITTANCE POLICY, LEGAL AND REGULATORY FRAMEWORK

MYANMAR

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ABOUT THIS REPORT

The United Nations Capital Development Fund makes public and private finance work for the poor in the world's 46 least developed countries. With its capital mandate and instruments, UNCDF offers last-mile finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF's digital agenda for migration and remittances falls within the organization's broader corporate strategy, set forth in 2019, of Leaving No One Behind in the Digital Era.

Remittances can act as a catalyst for sustainable development at both the individual, household, community and national levels as a source of greater disposable income for migrant families that can lead to increased consumption and investment. The size and scale of global remittances creates the possibility of harnessing these flows through digital channels towards productive investment, in health, education and local businesses, thus contributing to the long-term development of countries around the world. An effective policy and regulatory framework that balances innovation and risk will be critical to this transition from cash to digital.

This preliminary diagnostic report was prepared by UNCDF through a desk research review conducted from June to September 2021 of relevant policies, laws and regulations. The authors of this report have prepared an initial country-level mapping of possible enablers, inhibitors and policy options. UNCDF recognize that this report's findings require further engagement with ecosystem actors and the regulatory and policymaking bodies to further refine the initial findings and determine what options can be taken up.

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Remittances are non-reciprocal transfers of money from an individual or household in one place to another individual or household in another place.¹ The Committee on Payments and Market Infrastructures (CPMI) defines international remittance transfer as a cross-border person-to-person payment of relatively low value. In practice, transfers are typically recurrent payments by migrant workers (e.g. who send money to their families in their home country every month).² Approximately 3.7 million people had migrated from Myanmar at mid-year 2020.³ About 70 percent of migrants are based in Thailand, followed by Malaysia (15 percent), China (4.6 percent), Singapore (3.9 percent) and the United States of America (1.9 percent).⁴

Migrants send back approximately US\$2.8 billion, accounting for 4 percent of Myanmar's gross domestic product (GDP).⁵ At the household level, remittances represent a vital source of income for many individual recipients. Of Myanmar's 55 million population, 7 percent receive international remittances; 59 percent of recipients are women.⁶ The size and scale of remittances also creates the possibility of harnessing these flows for productive investment, thus contributing to the long-term development of Myanmar.

Myanmar has become the source country for the largest number of migrants in the Greater Mekong Subregion (GMS). Regionally, drivers of migration include higher wages in neighbouring countries, conflict, and environmental migration due to natural disasters, among other factors. Initial outflows from Myanmar began in the mid to late 1980s in response to economic and political unrest as well as efforts by the Thai Government to import foreign labour to fuel economic growth in the service sectors.⁷ A study of over 1,800 migrant workers from Cambodia, the Lao People's Democratic Republic, Myanmar and Vietnam in Malaysia and Thailand found that 74 percent of respondents had migrated through irregular means (ILO).⁸

The average cost of sending a US\$200 remittance to Myanmar from Thailand was 11.99 percent in quarter four of 2020, and 13.84 percent in the first quarter of 2021.⁹ The informal market is still popular, the regulatory environment is not fully supportive of digital innovations (e.g. electronic know your customer (e-KYC) and digital identification (ID) systems), there is a lack of migrant-centric products and services, and financial and digital literacy among migrants and their families remains low. Less than 6 percent of the total domestic remittance is received via bank transfers.¹⁰

¹ Christine Hougaard, 'The landscape of remittances in Zambia' (FinMark Trust Zambia, 2008). Available at https://www.findevgateway.org/sites/default/files/publications/files/mfg-en-paper-the-landscape-of-remittances-in-zambia-oct-2008_0.pdf

² Committee on Payment and Settlement Systems, The World Bank, 'General principles for international remittance services' (Bank for International Settlements and The World Bank, Basel, 2007). Available at <https://www.bis.org/cpmi/publ/d76.pdf> (accessed 4 August 2021).

³ Migration Data Portal, Myanmar, Key migration statistics. Available at https://migrationdataportal.org/data?cm49=1046&focus=profile&i=stock_abs_&t=2020 (accessed 2 August 2021).

⁴ International Organization for Migration (IOM), Myanmar. Available at <https://www.iom.int/countries/myanmar> (accessed 2 August 2021).

⁵ Ibid.

⁶ United Nations Capital Development Fund, *Remittances as a Driver of Women's Financial Inclusion in the Mekong Region* (2017). Available at https://sun-connect-news.org/fileadmin/DATEIEN/Dateien/New/72745_Remittances_as_a_Driver_of_Women_s_Financial_Inclusion_in_the_Mekong_Region.pdf (accessed 2 August 2021).

⁷ Alex Ma, 'Labor migration from Myanmar: remittances, reforms, and challenges' (Migration Policy Institute, 18 January 2017). Available at <https://www.migrationpolicy.org/article/labor-migration-myanmar-remittances-reforms-and-challenges> (accessed 2 August 2021).

⁸ United Nations, Economic and Social Commission for Asia and the Pacific (ESCAP), *Asia-Pacific Migration Report 2020: Assessing implementation of the Global Compact for Migration* (2020). Available at https://www.alnap.org/system/files/content/resource/files/main/APMR2020_Full%20Report.pdf (accessed 2 August 2021).

⁹ The World Bank, Remittance prices worldwide. Available at remittanceprices.worldbank.org (accessed 2 August 2021).

¹⁰ The World Bank, The Global Findex Database 2017. Available at <https://globalfindex.worldbank.org> (accessed 2 August 2021).

Driving the adoption digital remittances will require a mix of interventions on the removal of barriers in policies and regulations, the upgrading and opening of payments infrastructure, innovation in products and services, and, most importantly, financial and digital skills and empowerment of customers.

POLITICAL ECONOMY

Remittances represent a significant share for some countries' GDP. The economic impact of remittances on the receiving countries depends on how this money is spent by the recipient households. If these flows increase consumption in sectors that have strong sectoral linkages with other economic sectors, the positive effect of remittances may propagate to these sectors and have an amplified aggregate effect on the entire economy.

The Democratic People's Republic of Korea has a memorandum of understanding (MoU) with Myanmar for hiring foreign workers under its Employment Permit System.¹¹ There is also an MoU between Thailand and Myanmar on cooperation in the employment of workers. Workers in both Korea and Thailand are entitled to wage and other benefits due to local workers, based on the principles of non-discrimination and equality.¹² The governments of Myanmar and Thailand also began (in August 2019) discussions on an MoU to establish a cross-border child-protection mechanism and framework.¹³

A code of conduct for overseas employment agencies was launched in 2016, and, as of September 2019, 90 percent of members of the Myanmar Overseas Employment Agencies Federation had signed up. The code of conduct has country-specific reference guidelines to enhance the monitoring and ranking of signatories to the code.¹⁴

The ASEAN Forum on Migrant Labour¹⁵ is an open platform for review, discussion and exchange of good practices and ideas between governments, workers' and employers' organizations, and civil society stakeholders on key issues facing migrant workers in South-East Asia.¹⁶

Myanmar is also a signatory of the Global Compact for Migration, to cooperate at bilateral, regional and international levels. The Global Compact for Migration aims to leverage the potential of migration for the achievement of migration-related targets of the Sustainable Development Goals (SDGs).

¹¹ International Labour Organization (ILO), 'MOUs, BLAs and declarations related to migration'. Available at https://www.ilo.org/asia/areas/labour-migration/WCMS_161105/lang--en/index.htm (accessed 2 August 2021).

¹² International Labour Organization (ILO), *Bilateral Agreements and Memoranda of Understanding on Migration of Low Skilled Workers: A review* (Geneva, 2015). Available at https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---migrant/documents/publication/wcms_385582.pdf (accessed 2 August 2021).

¹³ United Nations, Economic and Social Commission for Asia and the Pacific (ESCAP), *Asia-Pacific Migration Report 2020: Assessing implementation of the Global Compact for Migration* (2020). Available at https://www.alnap.org/system/files/content/resource/files/main/APMR2020_Full%20Report.pdf (accessed 2 August 2021).

¹⁴ Ibid.

¹⁵ International Labour Organization (ILO), 'The ASEAN Forum on Migrant Labour'. Available at https://www.ilo.org/asia/WCMS_214213/lang--en/index.htm (accessed 2 August 2021).

¹⁶ International Labour Organization (ILO), 'MOUs, BLAs and declarations related to migration'. Available at https://www.ilo.org/asia/areas/labour-migration/WCMS_161105/lang--en/index.htm (accessed 2 August 2021).

REMITTANCES LANDSCAPE

Banks: The banking sector consisted of 4 state-owned banks, 27 domestic private banks, 13 foreign bank branches, and 46 representative offices of foreign banks, as of December 2019.¹⁷ The number of commercial bank branches per 100,000 adults had reached 5.61 by 2019.¹⁸ According to the Findex report 2017, about 26 percent of the adult population had an account at a formal financial institution, with a gender gap of 26 percent more men than women.¹⁹

Microfinance institutions (MFIs): There were 189 MFIs as of November 2019, of which 17 were deposit taking and 172 were not deposit taking.²⁰ MFIs are not permitted to engage alone in the international remittance business.

Mobile network operators (MNOs): The main MNOs include MPT (with 45 percent market share), Telenor (38 percent) and Ooredoo (18 percent).²¹ 3G coverage is about 90 percent, with 130 percent mobile penetration rate.²² The 2015 GSMA study found that women are, on average, 29 percent less likely to own a mobile phone than men in Myanmar.²³

Remittance service providers (RSPs): The dominant RSPs are Western Union, Express Money, Money Gram, May Bank, International Money Express, and Singapore Post. Banks are the unique institutions mandated to manage foreign exchange and provide international remittance services. All non-bank RSPs need to enter into partnerships with banks to conduct cross-border remittance services.

Automated teller machines (ATMs): In 2019, there were approximately 6.86 ATMs per 100,000 adults across the country.²⁴ Given Myanmar's predominantly rural population, access to ATMs outside big cities is a challenge.

INFRASTRUCTURE

Payment system: The country's payment system is CBM-NET, which provides the financial

¹⁷ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, *Myanmar's Banking Sector in Stormy Waters: Staying on the reform course before and amidst COVID-19 crisis* (January 2021). Available at https://2020.giz-banking-report-myanmar.com/epaper/Myanmar_Banking_Report_2020.pdf (accessed 2 August 2021).

¹⁸ The World Bank, 'Commercial bank branches (per 100,000 adults) - Myanmar'. Available at <https://data.worldbank.org/indicator/FB.CBK.BRCH.P5?locations=MM> (accessed 2 August 2021).

¹⁹ The World Bank Group, *The Global Findex Database 2017* (Washington, DC, International Bank for Reconstruction and Development/The World Bank, 2018). Available at <https://globalfindex.worldbank.org> (accessed 7 August 2021).

²⁰ Myo Min Thein, 'Microfinance sector outreach and financial inclusion in Myanmar' (Phnom Penh, 22 November 2019). Available at <https://www.unescap.org/sites/default/files/Session%207%20Microfinance%20Sector%20Outreach%20and%20Financial%20Inclusion%20in%20Myanmar.pdf> (accessed 2 August 2021).

²¹ Elisa Minischetti, Margarete Biallas and Vanessa Vizcarra, IFC Mobile Money Scoping. Country Report: Myanmar (World Bank Group International Finance Corporation (IFC), no date). Available at <https://www.ifc.org/wps/wcm/connect/775cb72e-84bf-4215-a46a-53b2c5684ce9/Myanmar+Market+Scoping+Report.pdf?MOD=AJPERES&CVID=mk1RtxH> (accessed 2 August 2021).

²² The GSMA Mobile Connectivity Index. Available at <https://www.mobileconnectivityindex.com/#year=2019&zonelsocode=NPL,MMR> (accessed 2 August 2021).

²³ Report of a joint GSMA Connected Women-LIRNEasia study on mobile phones, internet, and gender in Myanmar (London, 2015). Available at <https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2016/02/Mobile-phones-internet-and-gender-in-Myanmar.pdf> (accessed 11 August 2021).

²⁴ The World Bank, 'Automated teller machines (ATMs) (per 100,000 adults) - Myanmar'. Available at <https://data.worldbank.org/indicator/FB.ATM.TOTL.P5?locations=MM> (accessed 2 August 2021).

sector with a real-time gross settlement system; the process of clearing and settling payments is almost entirely electronic.

ID: About 88.8 percent of Myanmar residents have the required ID to open an account.²⁵ There was a 3.4 percent gender gap in the country’s ID ownership in 2017.²⁶ In 2020, Myanmar received an interest-free loan from Austria to create electronic ID (e-ID) that will allow the government to maintain an online database of citizen information and will pave the way for national registration cards to be replaced by e-ID/smart cards; the project was expected to be carried out within two years (from 2020 to 2022) and will involve three phases.²⁷

PRODUCTS

Most transfers in Myanmar are cash to cash. Aside from a handful of large commercial banks, banks are insignificant in the remittances market. A survey of 1,808 migrant workers from four countries of origin in South-East Asia including Myanmar found that only 15 percent of respondents used a bank to send remittances.²⁸ Some 32 percent used a broker system, 20 percent sent money to be carried by hand by others, and 19 percent used a money transfer organization.²⁹

Migrants in Thailand are the source of 68 percent of informal remittances to Myanmar;³⁰ migrants’ legal status in the country, the language barrier, and inconvenience for recipients are the main reasons that deter migrants from using formal channels.³¹

ROADMAP FOR REFORM

1. LEGAL AND REGULATORY FRAMEWORK		
Enablers	Inhibitors	Recommendations for Reform

²⁵ The World Bank, *Global ID Coverage, Barriers, and Use by the Numbers: An in-depth look at the 2017 ID4D-Findex Survey* (Washington, DC, 2019). Available at <http://documents1.worldbank.org/curated/en/727021583506631652/pdf/Global-ID-Coverage-Barriers-and-Use-by-the-Numbers-An-In-Depth-Look-at-the-2017-ID4D-Findex-Survey.pdf> (accessed 2 August 2021).

²⁶ Ibid.

²⁷ Chan Mya Htwe, ‘Myanmar to receive Austrian loan for national e-ID system’, Myanmar Times, 28 May 2020. Available at <https://www.mmtimes.com/news/myanmar-receive-austrian-loan-national-e-id-system.html> (accessed 2 August 2021).

²⁸ United Nations, Economic and Social Commission for Asia and the Pacific (ESCAP), *Asia-Pacific Migration Report 2020: Assessing implementation of the Global Compact for Migration* (2020). Available at https://www.alnap.org/system/files/content/resource/files/main/APMR2020_Full%20Report.pdf (accessed 2 August 2021).

²⁹ Ibid.

³⁰ United Nations Capital Development Fund (UNCDF) Asia Pacific Regional Office, *Remittances as a Driver of Women’s Financial Inclusion in the Mekong Region* (UNCDF, 2017). Available at https://sun-connect-news.org/fileadmin/DATEIEN/Dateien/New/72745_Remittances_as_a_Driver_of_Women_s_Financial_Inclusion_in_the_Mekong_Region.pdf (accessed 2 August 2021).

³¹ Stephanie Pearl Li, ‘The missing piece of Myanmar’s fintech puzzle: cross-border remittance’, KrASIA, 25 September 2020. Available at <https://kr-asia.com/the-missing-piece-of-myanmars-fintech-puzzle-cross-border-remittance> (accessed 2 August 2021).

<ul style="list-style-type: none"> ● Central bank establishment law that mandates, among others, to determine and implement exchange rate policy. The central bank advises the government in respect of such an exchange rate regime, overseeing the money market and foreign exchange market to ensure orderly operation in such markets, and promoting and overseeing a safe, sound and efficient payment system. 	<ul style="list-style-type: none"> ✘ Although the country adopted a managed floating exchange rate regime, it appears – based on a literature review³² – that black market dealers remain firmly entrenched, influencing the foreign exchange rate through foreign exchange trading by banks. 	<ul style="list-style-type: none"> ● To keep the foreign exchange rate stable, it is crucial for the central bank to ensure that black market rates have minimal impact on foreign exchange trading by banks.
<ul style="list-style-type: none"> ● A banking law that provides for licensing and supervision of financial institutions. The law defines financial institutions as including banks, non-bank financial institutions and scheduled institutions. 	<ul style="list-style-type: none"> ✘ Foreign-owned banks/entities providing payment services can only offer limited types of operations in Myanmar. According to the current legislation, foreign banks are not allowed, for example, to offer services to retail customers. 	<ul style="list-style-type: none"> ● Consider removing the restrictions on financial service offerings by foreign-owned non-bank financial institutions.
<ul style="list-style-type: none"> ● The Financial Institutions Law of 2016 introduced some important elements of a modern legal basis supporting payments, payment systems and instruments, including innovative payment instruments, and has opened payment services to non-bank financial institutions. 	<ul style="list-style-type: none"> ✘ There is no separate legislation to cater for payment and settlement systems. Payment and settlement systems form part of the Financial Institutions Law. 	<ul style="list-style-type: none"> ● There is a need for the central bank to introduce a separate law to cover payment and settlement systems in the country. The NPS Strategy³³ provides that central bank will adopt a regulatory framework that creates an enabling environment for access to and use of electronic payments.
<ul style="list-style-type: none"> ● Microfinance law that authorizes MFIs to carry out a range of activities, including accepting deposits, accepting remittances, and carrying out insurance business. It establishes Myanmar Microfinance Supervisory Bureau under the Ministry of Finance and Revenue of the Union Government as regulator and supervisor of 	<ul style="list-style-type: none"> ✘ While savings, credit, remittances, and insurance are envisioned in the original Microfinance Act, the only financial services currently permitted are savings and 	<ul style="list-style-type: none"> ● Consider allowing MFIs to provide inward remittance services as provided under the law.

³² Antoni Slodkowski and Simon Webb, 'Return of dollar black market shows limits of Myanmar reforms' (Reuters, . Available at <https://www.reuters.com/article/us-myanmar-dollars-insight-idUSKCN0SD2E020151019> (accessed 11 August 2021).

³³ Myanmar National Payments System Strategy (2020-2025). Available at https://www.cbm.gov.mm/sites/default/files/nps_final1.pdf (accessed 11 August 2021).

<p>microfinances, introduces interest rate caps, and allows domestic and foreign investors to establish fully privately owned MFIs.</p>	<p>credit.³⁴</p>	
<ul style="list-style-type: none"> ● Use of agents in the provision of financial services is allowed under the relevant legislation covering specific financial service providers. 	<ul style="list-style-type: none"> ✘ Lack of specific regulation/guideline for agency business. The NPS Strategy provides that the use of agents and sub-agents for the provision of payment and payment-related services will be regulated comprehensively and will be permitted by all types of payment service providers. 	<ul style="list-style-type: none"> ● There is a need for the central bank to consider putting in place a guideline or regulation that will provide guidance on the use of agents and related matters in line with the provisions of the NPS Strategy.
<ul style="list-style-type: none"> ● Remittance Business Regulations that apply to the companies incorporated in Myanmar that want to conduct a remittance business and to licensees of the remittance business. The Regulations were issued to prevent illegal money transfers and develop legal money transfer businesses between Myanmar and foreign countries. 	<ul style="list-style-type: none"> ✘ International MTOs must enter into partnership with banks in Myanmar for provision of remittance services. While the MTOs are not directly regulated, each partnership agreement is subject to central bank approval. The current bank-dependent remittance service arrangement, where RSPs must partner with banks, may stifle innovation as banks typically focus on providing traditional services and, in most cases, do not consider demand-side perspectives on product development especially those related to remittances. 	<ul style="list-style-type: none"> ● Consider allowing international MTOs to partner with non-bank financial services providers in the provision of remittance services.

AML/CFT, anti-money laundering/combating the financing of terrorism; CDD, customer due diligence; KYC, know your customer; MFI, microfinance institution; MTO, money transfer operators; NPS, National Payments System.

³⁴ 'Myanmar Microfinance Regulatory Benchmarking Survey' (September 2016). Available at <http://mekongbiz.org/wp-content/uploads/2017/02/ADB-MBI-MF-Benchmarking-Survey-10-Oct16-final-proof-DG-AB.pdf> (accessed 11 August 2021).

2. INFRASTRUCTURE		
Enablers	Inhibitors	Recommendations for Reform
<ul style="list-style-type: none"> ● NPS Strategy that advocates for modernizing the payment and settlement infrastructure. 	<ul style="list-style-type: none"> ✘ The lack of a collective clearing mechanism has made the real-time posting and reuse of funds with immediate confirmation to both the payer and the payee impossible. 	<ul style="list-style-type: none"> ● Consider speeding up the implementation of a real-time retail payment system that will make it possible for the national retail payment systems to connect with local, regional, and international payment hubs and gateways.
<ul style="list-style-type: none"> ● MFS regulation mandates mobile network operators and non-financial institutions to be interoperable with each other. 	<ul style="list-style-type: none"> ✘ Although MFS regulation mandates mobile network operators and non-financial institutions to be interoperable with each other, bank-led digital wallet services are exempted from this rule. The consequence is that new phone-based financial products, which in other emerging economies bring unbanked individuals into the broader financial system, still cannot be accessed by many people in the country. 	<ul style="list-style-type: none"> ● Expedite efforts intended to achieve full interoperability between banks and MFS and across MFS.
<ul style="list-style-type: none"> ● Policies and strategies to support the digital economy are in place, including for the establishment of data ID card system. 	<ul style="list-style-type: none"> ✘ Access to banking services remains constrained by the irregular status of migrants, documentation requirements, and unfamiliarity with services. 	<ul style="list-style-type: none"> ● Consider maximum utilization of the ID system for e-KYC and other related ID matters.

ID, identification; e-KYC, electronic know your customer; MFS, mobile financial services; NPS, National Payments System.

3. MARKET ASPECTS		
Enablers	Inhibitors	Recommendations for Reform
<ul style="list-style-type: none"> ● Advent of remittance giants like Western Union and MoneyGram and the availability of MFS money. 	<ul style="list-style-type: none"> ✘ The remittances market remains dominated by the <i>hundi</i> system (an informal value transfer system used widely by local citizens and offshore migrant workers to remit money domestically and internationally, which is deemed cheaper, more convenient for those living in rural areas, and with more favourable exchange rates). ✘ Low level of financial literacy, in particular for women. 	<ul style="list-style-type: none"> ● Digital and financial literacy is pivotal to ensuring financial inclusion via DFS. ● Raising awareness and educating customers about mobile money is crucial to trigger uptake and use.
<ul style="list-style-type: none"> ● Myanmar has experienced high levels of smartphone penetration in the recent past. Studies shows that approximately 95% of people in Myanmar now have mobile phones.³⁵ 	<ul style="list-style-type: none"> ✘ Most people in Myanmar, especially the adult population, are not aware of the many uses and benefits of mobile phones. Myanmar is one of the few countries where most financial transactions are still conducted in cash – approximately 95% of adults, including civil servants, receive salaries in cash,³⁶ the highest percentage in ASEAN. Also, Myanmar women are on average less likely to own a mobile phone than men.³⁷ 	<ul style="list-style-type: none"> ● Digitizing salary disbursements, tax and school fee payments, and government subsidies would create a more transparent and efficient economy and support enhanced use of DFS.

ASEAN, Association of Southeast Asian Nations; DFS, digital financial services; MFS, mobile financial services.

³⁵ Fintechnews Singapore, 'Myanmar fintech sector on route to growth: fintech startup report and map', 22 June 2018. Available at <https://fintechnews.sg/20016/myanmar/fintech-myanmar-startup-report-and-map/> (accessed 2 August 2021).

³⁶ Nagavalli Annamalai, 'Banking on Myanmar's financial sector: the road ahead', World Bank Blogs, 11 April 2017. Available at <https://blogs.worldbank.org/eastasiapacific/banking-on-myanmar-financial-sector-the-road-ahead#:~:text=Also%2C%20Myanmar%20is%20one%20of,the%20highest%20ratio%20in%20ASEAN> (accessed 2 August 2021).

³⁷ Ibid.

4. CONSUMER PROTECTION

Enablers	Inhibitors	Recommendations for Reform
<ul style="list-style-type: none"> ● Consumer protection law that regulates the rights and obligations of consumers and producers, provides mechanisms for resolving disputes between consumers and entrepreneur, and sets out clear roles and responsibilities of the Consumer Protection Commission. 	<ul style="list-style-type: none"> ✘ The law provides general provisions for consumer protection matters. There is no specific legislation to cover financial services. 	<ul style="list-style-type: none"> ● There is a need for the central bank to consider a specific item of legislation, directive or guideline on a consumer protection and complaints resolution mechanism for financial services, including cross-border remittances.
<ul style="list-style-type: none"> ● AML/CFT law that provides a legal and regulatory framework for anti-money laundering activities, amplified by rules on the duties and powers of the central board. Also, the formation of the Financial Intelligence Unit with its duties and powers, preventive measures and duty to report. 	<ul style="list-style-type: none"> ✘ It appears the issues and aspects related to risk-based KYC and identification procedures, CDD measures, monitoring and reporting of cash and suspicious transactions, and others are not covered under the law and the rules. 	<ul style="list-style-type: none"> ● There is a need for proper guidance on simplified KYC/CDD, based on the current technological development related to cross-border remittances, and to consider the use of technology to facilitate e-KYC and effective supervision and oversight.

AML/CFT, anti-money laundering/combating the financing of terrorism; CDD, customer due diligence; KYC, know your customer.

5. COOPERATION AND COLLABORATION

Enablers	Inhibitors	Recommendations for Reform
<ul style="list-style-type: none"> ● Member of ASEAN. One item on the ASEAN agenda is regional economic integration. 	<ul style="list-style-type: none"> ✘ Limited cooperation and sharing of information on AML/CFT measures, especially those related to cross-border remittance flows among member countries in the region. 	<ul style="list-style-type: none"> ● Need to enhance domestic and cross-border regulatory cooperation to strengthen AML/CFT measures through data sharing and enforcement. This can be done by assessing the existing remittance arrangements and challenges, creating the building blocks of a response to improve the current regional cross-border remittance arrangements, and suggesting a roadmap of practical steps (with timeframes) needed to achieve harmonization through a coordinated effort from each of the regional central banks. An intended outcome is increased efficiency, affordability and security of intra-regional and cross-border fund transfers.
<ul style="list-style-type: none"> ● Reliable data on remittances is key for enhancing the accuracy and completeness of balance of payment data, effectively managing issues related to AML/CFT compliance, understanding the impact of remittances, and for forming more effective policy for managing remittances. Myanmar's central bank collects, analyses and shares data related to foreign exchange inflows. 	<ul style="list-style-type: none"> ✘ Lack of quality data on remittances. 	<ul style="list-style-type: none"> ● The central bank may consider having an international transactions reporting system that collects transaction-level data for analysis and sharing.

AML/CFT, anti-money laundering/combating the financing of terrorism; ASEAN, Association of Southeast Asian Nations.