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## Myanmar Highlights

March 2016

### Central Bank of Myanmar issues four banking licences to foreign banks

The Central Bank of Myanmar (**CBM**) has granted four new licences to foreign lenders following a second tender round aimed at increasing foreign participation in Myanmar's banking sector. The banks to be licenced are The Bank for Investment and Development of Vietnam Ltd, E.SUN Commercial Bank Ltd from Taiwan, South Korea's Shinhan Bank Ltd and the State Bank of India. The four banks have been issued with preliminary approval lasting twelve months. During this preliminary twelve-month period the four banks will be required to fulfil certain requirements. The four banks must ensure functional banking operations from day one of their branch opening, and comply with requirements laid down by the CBM. Shinhan Bank Ltd, has entered into an agreement with local lender CB Bank Ltd in respect of corporate banking services and the provision of financing for foreign investors. E.SUN Commercial Bank Ltd is the first Taiwanese bank to be issued with a licence. The Taiwanese banks Cathay United Bank Ltd and the First Commercial Bank Ltd were shortlisted, but ultimately unsuccessful, in the first international bidding round held in 2014. Each of the successful banks will be expected to provide US\$75 million in initial capital. (Source: <http://www.mmtimes.com/index.php/business/19338-cb-names-four-new-faces-for-myanmar-s-banking-sector.html>, 7 March 2016)

### Kanbawza Bank and Yangon Stock Exchange agree on settlement and clearing operations

Kanbawza Bank Ltd (**KBZ**) has entered into an agreement with the Yangon Stock Exchange (**YSX**) in relation to settlement and clearing operations. KBZ will be responsible for delivering payments for the sale and purchase of shares. If the broker or dealer representing the buyer cannot immediately make

a payment, KBZ will be required to step in to provide short-term funding. KBZ is Myanmar's largest private bank and already has a settlement platform in place. KBZ's settlement bank must have sufficient liquidity to support share sale and purchase transactions and the technological infrastructure in place to conclude trades. It will also need to be digitally linked to different trading and banking systems. KBZ will offer payment and settlement services while the YSX will manage the transfer of securities. According to the YSX, an additional 'settlement bank licence' will be issued as the market develops and matures. To date, KBZ Stirling Coleman Ltd (**KBZSC**) (a subsidiary of KBZ), AYA Trust Securities Ltd, CB Securities Ltd and the Myanmar Securities Exchange Centre have been issued with securities licences. Six other securities firms are expected to receive their licences shortly. KBZSC is assisting First Myanmar Investment Ltd and Myanmar Thilawa SEZ Holdings Ltd prepare for a listing on YSX. The Securities Exchange Commission of Myanmar has announced that YSX is expected to commence trading in the second week of March 2016. (Source: <http://www.mmtimes.com/index.php/business/19216-kbz-launches-yangon-stock-exchange-settlement-system.html>, 29 February 2016 and <http://www.irrawaddy.com/business/yangon-stock-exchange-on-track-for-march-trading-debut.html>, 1 March 2016)

### CB Securities to use Thomson Reuters trading platform for YSX

CB Securities Ltd (**CB Securities**), a subsidiary of CB Bank Ltd, has chosen to utilise Thomson Reuters trading solution platform 'Omnesys NEST'. CB Securities was one of ten underwriters selected by the Securities and Exchange Commission of Myanmar to operate on the Yangon Stock Exchange (**YSX**). Omnesys NEST is order management software for securities markets used widely across emerging

markets in the Asia Pacific region, which provides users with investment services, news and trading tools. According to Thomson Reuters the software offers a combination of global information and execution capabilities, integrated into a single, easy-to-use application, allowing investors to make trading and investment decisions. In addition to providing execution capabilities, Omnesys NEST will assist CB Securities' customers with their trading and decision making processes through access to real-time breaking news and analysis through Thomson Reuters Eikon (**Eikon**). CB Securities' online trading portal will provide clients with access to quotes and trading capabilities through Eikon, and the ability to do real-time charting, historical charting and analysis. Clients will also be able to analyse historical data and build their own queries. (Source: <http://www.mmbiztoday.com/articles/cb-securities-use-thomson-reuters-trading-platform-ysx>, 26 February 2016)

## The Ministry of Electric Power enters into MoU with China Three Gorges International Corporation

The Ministry of Electric Power has entered into a memorandum of understanding (**MoU**) with China Three Gorges International Corporation in respect of wind power production. The MoU sets out the key terms in respect of the development of a 30MW wind power project in Chaungtha, in the Ayeyawady Region. Myanmar has significant wind energy production potential, with 10 project areas in Chin State with the potential to produce 1,472 MW, 10 in Rakhine State producing 1,484 MW, and five in the Ayeyawady Region producing 478 MW and two in Yangon Region producing 274 MW. (Source: <http://consult-myanmar.com/2016/03/01/myanmar-to-begin-generating-wind-energy/>, 1 March 2016)

## Ooredoo launches "Site Pyo" app for farmers

Telecoms operator Ooredoo Myanmar (**Ooredoo**) has launched a mobile app (**Site Pyo**) for farmers to access information across Myanmar. Ooredoo has developed the app in cooperation with the GSMA mAgri Programme. Site Pyo provides farmers with up-to-date localised weather information and best practices for growing and maintaining specific crops. Farmers make up almost 80% of the workforce in Myanmar. Ooredoo wants to improve their access to relevant information that will allow them to improve productivity and increase earnings. Farmers can also get updated weather forecast, information on seed quality control, land preparation, water management, weed control, pests and diseases, and harvesting and storing. Site Pyo is free to download. Site Pyo data will also be free for all Ooredoo customers. Ooredoo are making Site Pyo available for free, so as to remove any barriers that might prevent engagement

by the farming communities. In-app weather forecasts will be provided by local meteorologist U Tun Lwin, CEO of Myanmar Climate Change Watch. (Source: <http://www.mmbiztoday.com/articles/ooredoo-launches-agri-app-farmers>, 7 March 2016)

## UKEF launches US\$300 million Myanmar credit facility

The UK Export Finance (**UKEF**) has launched a US\$300 million credit facility for Myanmar in a bid to assist British firms competing in the Southeast Asian market. UKEF, the UK's export credit agency, will make the cover available to UK exporters seeking to compete for business in Myanmar as the country re-engages with the international community and accelerates its infrastructure development. UKEF will also be able to offer support directly to the Myanmar government in the form of direct lending linked to deals where there is notable UK content. (Source: <http://www.mmbiztoday.com/articles/ukef-launches-300-m-myanmar-credit-facility>, 26 February 2016)

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**Hong Kong Office:**

Dominion Centre  
12th Floor  
43-59 Queen's Road East  
Hong Kong  
**Tel:** + (852) 2905 7888  
**Fax:** + (852) 2854 9596

**Myanmar Office:**

Charltons Legal Consulting Ltd  
161, 50th Street  
Yangon, Myanmar  
**email:** [myanmar@charltonslaw.com](mailto:myanmar@charltonslaw.com)

[www.charltonslaw.com](http://www.charltonslaw.com)