



7th Follow-Up Report

Mutual Evaluation of Myanmar

October 2024





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Asia/Pacific Group
on Money Laundering

MYANMAR

7TH ENHANCED (EXPEDITED) FOLLOW-UP REPORT 2024

I. INTRODUCTION

1. The mutual evaluation report (MER) of Myanmar was adopted in 2018. Previous FURs were adopted in 2019, 2020, 2021, 2022, 2023 and 2024 (February).
2. This FUR analyses the progress of Myanmar in addressing the technical compliance requirements of the Recommendations being re-rated. Technical compliance re-ratings are given where sufficient progress has been demonstrated.
3. This report does not analyse any progress Myanmar has made to improve its effectiveness.
4. The assessment of Myanmar's request for technical compliance re-ratings and the preparation of this report was undertaken by the following experts:
 - *Laila Ulfah Kusdinah, Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK), Indonesia*
 - *Ian McDonald, the Royal Canadian Mounted Police, Canada*
 - *Mathieu DesRoches, the Royal Canadian Mounted Police, Canada*
5. The preparation of the FUR was supported by Chris Ely, Sylvia Deutsch and Katie Coyte from the APG Secretariat, with additional support from other Secretariat members.
6. Section IV of this report summarises the progress made to improve technical compliance. Section V contains the conclusion and a table illustrating Myanmar's current technical compliance ratings.

II. FINDINGS OF THE MUTUAL EVALUATION REPORT

7. Myanmar current ratings ¹ are follows:

| IO.1 | IO.2 | IO.3 | IO.4 | IO.5 | IO.6 | IO.7 | IO.8 | IO.9 | IO.10 | IO.11 |
|------|------|------|------|------|------|------|------|------|-------|-------|
| Low | Low | Low | Low | Low | Mod | Low | Low | Low | Low | Low |

| R. | Rating | R. | Rating |
|----|--------------------------------|----|---------------------------|
| 1 | PC (2018 MER), ↑ LC (2019 FUR) | 21 | LC (2018 MER), (2019 FUR) |

¹ There are four possible levels of technical compliance: compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC). Effectiveness ratings for the 11 Immediate Outcomes are: Low, Moderate (Mod), Substantial or High.

| R. | Rating | R. | Rating |
|-----------|--|-----------|--|
| 2 | LC (2018 MER), (2019 FUR) | 22 | PC (2018 MER), ↑ LC (2021 FUR) |
| 3 | C (2018 MER) | 23 | PC (2018 MER), ↑ LC (2021 FUR) |
| 4 | LC (2018 MER) | 24 | NC (2018 MER), (2019 FUR), ↑ PC (2020 FUR) (2023 FUR) |
| 5 | LC (2018 MER) | 25 | NC (2018 MER) |
| 6 | LC (2018 MER) | 26 | PC (2018 MER), (2019 FUR), (2020 FUR), (2021 FUR), (2022 FUR), (2023 FUR), ↑ LC (2024 FUR) |
| 7 | NC (2018 MER, 2023 FUR) | 27 | C (2018 MER) |
| 8 | PC (2018 MER), (2019 FUR) | 28 | NC (2018 MER), ↑ PC (2022 FUR) |
| 9 | C (2018 MER) | 29 | PC (2018 MER), (2021 FUR) |
| 10 | PC (2018 MER), (2019 FUR) ↑ LC (2020 FUR) | 30 | LC (2018 MER) |
| 11 | C (2018 MER) | 31 | LC (2018 MER) |
| 12 | PC (2018 MER) ↑ LC (2020 FUR) | 32 | PC (2018 MER) |
| 13 | PC (2018 MER), (2019 FUR) ↑ LC (2020 FUR) | 33 | PC (2018 MER), ↑ LC (2022 FUR) |
| 14 | NC (2018 MER), (2019 FUR), ↑ PC (2020 FUR), (2021 FUR), (2022 FUR), ↑ LC (2023 FUR) | 34 | PC (2018 MER), (2022 FUR) |
| 15 | LC (2018 MER), ↓ PC (2020 FUR) | 35 | PC (2018 MER) |
| 16 | LC (2018 MER) | 36 | PC (2018 MER), (2019 FUR) |
| 17 | C (2018 MER) | 37 | PC (2018 MER), (2019 FUR) |
| 18 | C (2018 MER), ↓ LC (2019 FUR) | 38 | PC (2018 MER) |
| 19 | NC (2018 MER), ↑ PC (2019 FUR), (2020 FUR) ↑ C (2021 FUR) | 39 | PC (2018 MER) |
| 20 | C (2018 MER) | 40 | LC (2018 MER) |

8. Given these results and the effectiveness ratings, Myanmar is on enhanced (expedited) follow-up.²

III. PROGRESS TO IMPROVE TECHNICAL COMPLIANCE

9. In keeping with the APG ME Procedures, this FUR considers progress made up until 1 October 2024 and considers progress to address the deficiencies identified in the MER and the entirety (all criteria) of each Recommendation being reviewed, noting that this is cursory

² There are three categories of follow-up based on mutual evaluation reports: regular, enhanced and enhanced (expedited). For further information see the APG Mutual Evaluation Procedures.

where the legal, institutional or operational framework is unchanged since the MER or previous FUR. This report does not address the progress Myanmar has made to improve its effectiveness.

10. This section summarises the progress made by Myanmar to improve its technical compliance by implementing requirements in place at the time of the MER.

Progress to address technical compliance deficiencies identified in the MER.

11. Myanmar requested re-ratings of Recommendations 7 (R.7) and 25 (R.25), which were rated NC.

12. The APG welcomes the steps that Myanmar has taken to improve its technical compliance with R.7 and R.25. As a result of this progress, Myanmar has been re-rated on R.7 and R.25.

Recommendation 7 [R.7] (Originally rated not compliant)

13. Myanmar was rated NC for R.7 in its 2018 MER. Deficiencies included no clear legal basis for issuing freeze orders in relation to proliferation financing (PF). In addition, the obligation to freeze did not extend to all natural and legal persons in Myanmar and there were gaps in the scope of funds and assets to be frozen. There were no mechanisms to communicate designations to reporting entities (REs) and no provisions for sanctioning non-compliance with the obligations. There were no provisions related to unfreezing, access to funds and delisting requests.

14. The 2023 FUR noted that Myanmar had taken steps since its 2018 MER, acknowledging the issuance of the 2023 Order (The Central Committee for Counter Terrorism (CCCT) Order 4/2023) and the 2021 Guidance (*Guidance on implementation of the countering the financing of terrorism and the proliferation of weapons of mass destruction*) to cover all the relevant UNSCRs. However, the guidance was non-binding and Order 4/2023 was not an enforceable means for enacting relevant requirements. There was no clear specification of what agencies/organisations/departments were responsible for carrying out what aspects of the Order and Guidance. Furthermore, the 2023 FUR identified that Myanmar's measures for c.7.1 did not meet the FATF standard because there were conflicting interpretations between Articles 8 and 11 in the Guidance, which also did not match with what was outlined in the Order with respect to freezing without delay.

15. **Criterion 7.1** is *met*. The 2018 MER noted that the Counterterrorism Law (CT Law) did not provide a clear legal basis for issuing freeze orders in relation to PF. The 2023 FUR noted that this deficiency has not been addressed, as the issued Order 4/2023, which outlined that all individuals and organisations in Myanmar should freeze assets without delay in line with the UNSCR, was not enforceable. Since the 2023 FUR, Myanmar enacted an amendment of subsection 6(d) of the CT Law on 26 September 2024. The amendment provides the CCCT with the authority to implement measures on TFS PF and establishes an Order that details the necessary actions for relevant agencies. Myanmar now has an enforceable means to implement targeted financial sanctions (TFS) without delay that is aligned with the UNSCRs.

16. On 18 September 2024, in reference to the Order 4/2023, the Ministry of Home Affairs (MoHA) issued the Letter No. 4344(469)/14-05/G 4 regarding “Freezing Order related to United Nations Security Council’s Sanctions List,” for real estate agents and precious metal dealers. This freezing order under Order 4/2023 was enacted following the modification of the UN Resolution 1718 (2006), which updated the sanctions list on 17 September 2024. Similar letters have been issued by competent authorities, including the Central Bank of Myanmar, the Ministry of Planning and Finance, the Myanmar Accountancy Council, the Ministry of Natural Resources and Environmental Conservation, Office of the Securities and Exchange Commission, and the Office of the Union Judiciary Supervision, to banks, non-bank financial institutions, microfinance and insurance companies, audit and non-audit firms, gem dealers, Yangon Stock Exchange and Securities Companies, all lawyers, notaries, and legal professionals. If any designated persons or entities are identified as their customers, the reporting entities must inform the competent authorities to freeze their funds and other assets without delay, as mandated by Order 4/2023.

17. **Criterion 7.2** is *partly met*. The 2018 MER noted that there were major shortcomings in Myanmar’s regime to implement TFS related to WMD proliferation. The 2023 FUR noted that there were improvements, but the freezing measures and prohibitions were limited to non-binding guidance and Order 4/2023 which was not an enforceable means for enacting relevant requirements. Since 2023, Myanmar has strengthened Order 4/2023 as an enforceable means enabling competent authorities, supervisory authorities, FIs, DNFBPs, and the Central Committee to prevent and disrupt the proliferation of WMD and their financing. Any breach or non-compliance with the Order will be subject to penalties under section 53 of the CT Law.

18. In relation to the obligations to freeze assets without delay, Paragraphs 2 and 3 of the 2023 CCCT Order provide powers for Myanmar to freeze without delay all funds and other assets owned or controlled by designated persons and entities, as required under c.7.2(a) and c.7.2(b). These provisions are accompanied by the Guidance on Implementation of the Countering the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (dated 4 March 2021) (“The 2021 Guidance”). Furthermore, paragraph 3(e) of the 2023 CCCT Order is also fully aligned with criterion c.7.2(f) which requires Myanmar to have measures that protect the rights of a bona fide third party acting in good faith when implementing the obligations under R.7. Myanmar has met with the requirements under sub-criteria c.7.2(a), (b) and (f). However, in relation to requirements under c.7.2(c), (d), and (e), moderate deficiencies remain.

19. *c.7.2(c) – partly met*: Although paragraph 3 of the 2023 CCCT Order provides explicit obligations on freezing without delay for competent authorities and supervisory authorities, but the scope of funds defined under these provisions is limited and is not fully aligned with the criterion. The provision does not cover the requirement of ensuring “any funds or other assets” are prevented from being made available to or for the benefit of designated persons or entities.

20. *c.7.2(d) mostly met*: Noting that the 2023 FUR found that the mechanisms for communicating designations to FIs and DNFBPs were absent, Myanmar issued Letter No. 4344(469)/14-05/G 4 on 18 September 2024 regarding “Freezing Order related to United Nations Security Council’s Sanctions List” to real estate agents and precious metal dealers as a practical example of timely communication of the Sanction List. Similar letters have been issued by other competent authorities, including the Central Bank of Myanmar, the Ministry of Planning and Finance, the Myanmar Accountancy Council, the Ministry of Natural Resources

and Environmental Conservation, Office of the Securities and Exchange Commission, and the Office of the Union Judiciary Supervision. While the letter serves as guidance on what action reporting entities should undertake after designated persons or entities have been identified, including freezing without delay, the review team has not been provided with evidence of formal mechanisms in place for the systematic and ongoing communication of designations to financial institutions and DNFBPs. Therefore, the deficiency under this criterion has not been fully addressed.

21. *c.7.2(e) – partly met:* Although paragraph 3(d) of the 2023 CCCT Order requires FIs and DNFBPs to report immediately to the CCCT any assets frozen or actions taken in compliance with the resolutions of relevant UNSCRs, including attempted transactions of the designated persons or entities, the definitions of funds and assets of designated persons and entities as referred to in paragraph 2 of the 2023 CCT Order are not fully compliant with the requirements under this criterion. There is no clear obligation to report attempted transactions by third parties providing funds or other assets to designated persons or entities.

22. *Criterion 7.3 is mostly met.* The 2023 FUR noted that the Order 4/2023 and the 2021 Guidance address most of the deficiencies identified in the 2018 MER, however, deficiencies relating to enforcement of the requirements remained. Since 2023, paragraph 3(f) of the CCCT Order mandates that supervisory authorities implement necessary measures to monitor FIs and DNFBPs, including ensuring their compliance with applicable laws, rules, orders, and directives, particularly those that require FIs and DNFBPs to impose financial sanctions on designated individuals and entities.

23. Additionally, paragraph 22 of the 2021 Guidance empowers competent authorities to oversee compliance by REs with preventive measures against PF. The enforcement of the Order and Guidance is mandated in subsection 6(d) of the CT Law, which was amended on 26 September 2024, covering the mandate authorising the CCCT to adopt measures of the implementation of the UNSCRs regarding the TFS related to PF as well as prevention, removal and destruction of WMD. The amendment was also made to section 53 of the CT Law. Overall, Myanmar provides measures for monitoring and ensuring compliance by FIs and DNFBPs through the requirements for FIs and DNFBPs under paragraph 3(f) of the 2023 CCCT Order and paragraph 22 of the 2021 Guidance. The enforcement of these provisions, of which anyone found to violate the Order shall be prosecuted in accordance with the CT Law, is stipulated under the amended subsection 6(d) and section 53. However, minor deficiencies identified in the 2023 FUR in relation to the 4/2023 Order and the Guidance remain. The existing Order and Guidance does not provide clear guidance on the enforcement process, such as: (i) any discernment for which remedial action should be taken; (ii) when and what is the threshold for escalating the remedial action or sanction; (iii); what the referral process is to the relevant law enforcement organization or judicial body; or (iv) who makes the determination if a violator should face charges under the existing law.

24. **Criterion 7.4 is partly met.** The 2023 FUR noted that while Order 4/2023 describes how a listed person or entity can petition the CCCT to be delisted if they are misidentified or the listing criteria no longer apply, there is no legal basis under the CT Law that can be applied in the context of unfreezing or delisting request made further to a PF-related freeze order. Since 2023, Myanmar amended section 53 of the CT Law, which now provides a basis to enforce the implementation of this Order.

25. The 2023 CCCT Order was issued publicly allowing designated persons and entities to submit an application for de-listing to the CCCT or the Focal Point (for de-listing) established pursuant to UNSCR 1730 (2006) (paragraphs 6 and 7 of the CCCT Order). The Order also authorises the exemption process in compliance with UNSCRs 1718, as described in paragraphs 10-13. The enforcement of the Order is supported by section 53 of the amended CT Law. According to paragraph 13, if no negative decision is rendered within five days, the exemption is automatically approved, consistent with UNSCR 1718. Once the reporting entities receive the order from the CCCT to de-list the frozen funds and assets, they must de-list the frozen funds and assets of the persons and entities immediately (paragraph 9 of the 2023 CCCT Order). However, deficiencies are still identified under c.7.4(b), (c) and (d) as follows:

26. *c.7.4(b) – mostly met:* Myanmar issued the 2023 CCCT Order publicly which covers provisions allowing person or entities whose funds or assets are frozen to submit a written application to CCCT to unfreeze the funds or assets if they are wrongfully frozen or no longer meet the criteria. The CCCT conducts verification and examination on the application for de-listing and submit it to the UNSC as the central authority for making decision whether the application meets the criteria of delisting (Paragraphs 7 and 8 of the Order). The Order is now enforceable since the amendment to the CT Law (section 53) has been made on 26 September 2024 which provides a legal basis to the enforcement. Furthermore, paragraph 8 of the Order sets out that the basis for de-listing is that the documentation confirms a false positive. Once the reporting entities receive the order from the CCCT to de-list the frozen funds and assets, they must de-list the frozen funds and assets of the persons and entities immediately (paragraph 9 of the 2023 CCCT Order).

27. However, concerns remain regarding Myanmar’s compliance with criterion 7.4(b). While the 2023 CCCT Order sets out general procedures for unfreezing in cases where a person or entity has been mistakenly identified (i.e., false positives), the Order does not clearly outline the specific domestic process that the CCCT follows once such applications are received. In particular, the provisions do not provide sufficient clarity or detail on the steps taken to verify mistaken identity or ensure that funds or other assets are unfrozen without delay in domestic false positive cases. The existing framework does not contain explicit procedures for addressing false positives in relation to TFS concerning PF. Although Chapter 10 of the CFT Rules outlines more detailed procedures for TFS-TF—including the CCCT’s authority to request additional information and to direct the unfreezing of assets where mistaken identity is confirmed, these procedures are not extended to TFS-PF, as required under Recommendation 7.

28. In addition, Paragraphs 7 and 8 of the CCCT Order outline that the CCCT may assess whether a person or entity continues to meet the UN designation criteria and, if not, forward the request for delisting to the UNSC. This conflates two distinct processes: delisting from a UN designation (which is solely the prerogative of the UN) and domestic unfreezing in false positive cases (which is handled at the national level). This approach is not consistent with the standard under criterion 7.4(b), which requires jurisdictions to establish clear, effective, and timely procedures for unfreezing the assets of persons or entities inadvertently affected by a freezing action due to name similarity, independently of the UN delisting process.

29. *c.7.4(c) – partly met:* The 2023 CCCT Order includes provisions for: (1) authorising the CCCT to submit the de-listing application for the exemption process to the UNSC or respective Committee, when it is identified or verified that the application is met with the

exemption conditions set out in for UNSCRs 1718 and its successor resolutions; and (2) the CCCT can allow the applicant to access the frozen funds or other assets in accordance with the decision of the UNSC and respective Committee (paragraph 11 of the Order). Furthermore, the Order (Paragraph 13) also sets out that in the absence of a negative decision in five days, the exemption has been approved, which is in keeping with O.P.10 of UNSCR 1718. However, deficiencies remain under this criterion. The 2023 CCCT Order lacks clarity on whether the CCCT may de-list a person on the basis of the CCCT's own assessment against UNSCR 1718 listing criteria; and it does not provide further procedures aligned with paragraph 9(b) of UNSCR 1718, in relation to how a determination was made by Myanmar in relation to extraordinary expenses, which must be approved by the UN Committee.

30. *c.7.4(d) – mostly met:* The provisions concerning communication with FIs and DNFBPs apply to both new designations (paragraph 3(c) of the 2023 CCCT Order) and de-listings (paragraph 9 of the 2023 CCCT Order). However, the Order does not establish specific procedures for communicating de-listing decisions to competent authorities, nor does it clarify the subsequent transfer of this information from those authorities to relevant REs (c.7.4(d)).

31. **Criterion 7.5** is *met*. The 2023 FUR noted that while Article 14 of the 2023 CCCT Order included provisions that apply to freezing actions taken pursuant to UNSCR 1737 and continued by UNSCR 2231 or taken pursuant to UNSCR 2231 in keeping with the requirements under this criterion, the Order was not an enforceable means. Since 2023, the amendment to the CT Law (section 53) serves as an enforceable means in the implementation of the Order. The deficiencies under this criterion have been fully addressed.

Weighting and Conclusion

32. Myanmar has taken measures to strengthen its implementation of PF-related TFS and address the deficiencies found in the 2018 MER and 2023 FUR. However, given Myanmar's risk and context, and especially its PF risk exposure, moderate deficiencies remain: (1) the 2023 CCCT Order does not explicitly ensure that "any funds or other assets" are prevented from being made available to or for the benefit of designated persons or entities; (2) there is a lack of clarity regarding the mechanisms for promptly communicating UN designations to FIs and DNFBPs; (3) obligations to report attempted transactions involving third parties providing assets to designated persons are not clearly established; (4) the existing Order and Guidance does not provide clear guidance on the enforcement process; (5) the ability of Myanmar authorities to de-list entities based on their own assessment is not consistent with UNSCR 1718 requirements, where such authority resides with the UN; and (6) the 2023 CCCT Order does not clearly outline procedures for de-listing, handling extraordinary expenses, or communicating such decisions to relevant authorities and reporting entities, as required under paragraph 9(b) of UNSCR 1718.

33. **Recommendation 7** is re-rated *Partially Compliant*.

Recommendation 25 [R.25] (Originally rated not compliant)

34. Myanmar was rated NC for R.25 in its 2018 MER. There was no active trust law and pre-independence legislation was in force. This legislation did not comply with Recommendation 25. The absence of measures to ensure that domestic or foreign trustees

disclose their status to FIs and DNFBPs when forming a business relationship or carrying out an occasional transaction was given little weight, as it was clear that foreign trusts were not yet a regular feature of the Myanmar economy. However, the lack of powers to obtain information from DNFBPs was also a gap.

35. The 2018 MER noted that Myanmar Trust Act (1884) governed the formation of trusts in Myanmar. Myanmar enacted the Amendment of the Trusts Act (the Amended Trust Act) on 19 September 2024, introducing provisions that regulate trusts with specific obligations for trustees to adhere to the AML Law. Trustees of expressed trusts are now designated as DNFBP under the AML Law, qualifying them as REs. Despite these regulatory measures, Myanmar authorities indicate that trusts do not currently operate within the jurisdiction.

36. Furthermore, Myanmar authorities confirm that the Mussalman Wakf Validating Act 1913 and the Mussalman Wakf Act 1924 remain effective as laws; this was not noted in the 2018 MER. Waqf (known as “wakf” in Myanmar) is not classified as a trust per Section 1 of the Myanmar Trust Act (1884), but it is governed solely by the Mussalman Wakf Validating Act 1913 and The Mussalman Wakf Act 1924.

37. Myanmar authorities report that no wakf is currently registered in the jurisdiction. However, relevant legislation governing wakfs – including the Mussalman Wakf Validating Act 1913, the Mussalman Wakf Act 1924, and the Myanmar Mussalman Wakf Rules 1924 – remains in force and effective as law, which was not captured in the 2018 MER. Myanmar’s legal system continues to recognise Islamic Law in matters of personal law for Muslims, including the establishment and administration of wakfs. While wakf is not classified as a trust per Section 1 of the Myanmar Trust Act (1884), it constitutes a legal arrangement for FATF purposes. The legislation establishes a legal relationship between the settlor, assets, and the trustee (mutawalli), consistent with the characteristics outlined in Article 2 of the Hague Convention referenced by the FATF Standards.

38. **Criterion 25.1** is *partly met*. Paragraph 116 of the 2018 MER indicated that Myanmar does not recognise trusts under its domestic law and that while foreign trusts were not prohibited, they did not yet appear to have a meaningful presence in the Myanmar economy.

39. In 2024, under subsection 30A (1) of the Amended Trusts Act, trustees are now mandated to obtain and maintain current and accurate information regarding the identities of the settlor, trustees, beneficiaries, and individuals exercising effective control over the trust, aligning with the definitions provided in section 3 of the Trust Act (1884). Additionally, subsection 30A(1)(b) of the Amended Trust Act requires trustees to hold basic information about other regulated agents and service providers of the trust, including investment advisors, accountants, and tax advisors. Subsection 30A (2) of the Amended Trust Act stipulates that trustees must retain all information relating to beneficial ownership for a minimum of five years following their tenure as trustee.

40. However, in regards to wakf, under the Mussalman Wakf Validating Act 1913 and the Mussalman Wakf Act 1924 there are no obligations for a trustee of a wakf to: (1) obtain and hold current and accurate information on the identity of the settlor, trustee(s), beneficiaries and other persons exercising effective control over the wakf; (2) hold basic information on other regulated agents of, and services providers to, the trust, including investment advisors or managers, accountants and tax advisors; and (3) keep all information related to beneficial ownership for at least five years after their involvement with the discharge of trustee, as required under c.25.1.

41. **Criterion 25.2** is *partly met*. As outlined in the 2018 MER, there was no obligation to keep relevant information on domestic trusts up to date. The Amended Trust Act now provides a provision (s30A(1)(c)) requiring a trustee of any trust to keep all information accurately and up to date on a timely basis. The Wakf Validating Act 1913 and the Mussalman Wakf Act 1924 do not require the keeping of information outlined in 25.1(a) and 25.1(b), therefore, this requirement cannot be assessed in relation to wakf.

42. **Criterion 25.3** is *partly met*. As outlined in the 2018 MER, there was no requirement for trustees of domestic or foreign trusts to disclose their status to FIs and DNFBPs when forming a business relationship or carrying out the occasional transaction above the threshold.

43. Under subsection 30A(1)(d) of the Amended Trusts Act, it requires a trustee of any trust to disclose the trustee's status to FIs and DNFBPs and report to relevant competent authorities when forming a business relationship or carrying out an occasional transaction above the threshold. However, there is no equivalent obligation under the Mussalman Wakf Validating Act 1913 and the Mussalman Wakf Act 1924, requiring for a trustee of a Waqf to disclose the trustee's status to financial institutions and Designated Non-Financial Businesses or Professions (FIs/DNFBPs) and report to relevant competent authorities in similar circumstances.

44. **Criterion 25.4** is *met*. No deficiencies were identified in the 2018 MER. There are no legal restrictions to prevent trustees from providing competent authorities or FIs/DNFBPs with information relating to a trust. Under subsection 30A(1)(e) of the Amended the Trusts Act, trustees are required to provide any information relating to the trust to a competent authority and upon request by FIs and DNFBPs, any information on the beneficiary and assets of the trust to be held or managed under the terms of the business relationship to FIs and DNFBPs under the existing laws. In addition, a competent authority may compel a copy of any such information and document maintained by the FI or DNFBPs in relation to a trust (s36(d) of the AML Law). Under the Mussalman Wakf Validating Act 1913 and the Mussalman Wakf Act 1924, there are no provisions or enforceable means, that restrict wakf trustees (mutawallis) from providing competent authorities, FIs, or DNFBPs with information, including BO information or assets of the wakf.

45. **Criterion 25.5** is *partly met*. As outlined in the 2018 MER, there was a gap in the coverage of CDD obligations on DNFBPs. The obligations did not require CDD to extend to the natural person(s) that ultimately control a trust (domestic or foreign). The FIU has broad powers under the AML Law to ensure timely access to information held by trustees and other parties (FIs/DNFBPs) (s10(f)(g) and s14 AML Law). The Amended Trusts Act also provides broad coverage of current information maintained (s30A(1)(a)) is to be shared with competent authorities (s30A(1)(e)). Article 26 (b) of the AML/CFT Directive for the CDD Measures specify (with respect to legal arrangements), that any settlor, trustee, protector, beneficiary or of persons in similar positions and any other person exercising ultimate effective control including through a chain of control/ownership should be identified. This CDD directive applies to natural persons involved in trusts and are enforceable through reporting entities. However, these powers and obligations do not extend to wakfs, which are governed by the Mussalman Wakf Validating Act 1913, and the Mussalman Wakf Act 1924. Under section 4(2) of The Mussalman Wakf Act 1924, courts do have powers to request information about a wakf, regarding the origin, nature or objects of the wakf or the condition or management of the wakf property, but only when an application is made under Section 4(1), and solely for specific

judicial purposes. This mechanism does not constitute a general or timely access power for competent authorities as required under c.25.5.

46. **Criterion 25.6** is *partly met*. Noting the deficiencies identified earlier in the analysis with respect to wakfs in Myanmar, Myanmar's capacity to provide rapid international cooperation with respect to information including beneficial ownership information with respect to wakfs is required under 25.6 is unclear.

47. **Criterion 25.7** is *partly met*. As outlined in the 2018 MER, sanctions were not available for domestic trusts.

48. The Amended Trusts Act requires trustees to comply with the AML Law and CT Law (s30A(3)). However, it is unclear whether trustees are legally liable for any failure to perform the duties relevant to meeting their obligations and that proportionate and dissuasive sanctions exist (whether criminal, civil or administrative) for failure to comply.

49. Competent authorities can impose supervision related measures, such as written warnings, against an RE (including directors, board of directors, executive officials or administrator) for failure to comply with reporting obligations (s37, AML Law). Competent authorities are empowered to compel by specific instructions and "cause to submit reports" (s37, AML Law). While Section 44 of the AML Law provides criminal sanctions (up to three years' imprisonment and MMK 100 million fine for legal persons), these are general in nature, not specific to trustees, and no evidence was provided of their application in trust-related contexts. Therefore, it is unclear whether these sanctions are proportionate, dissuasive, or effective in practice.

50. Regarding wakfs, the Mussalman Wakf Act 1924 does not establish trustee liability for AML/CFT-related breaches. Although courts can request information from mutawallis under Section 4(2), this is limited to specific judicial inquiries. Section 10 provides fines between 500 and 2,000 rupees (as per the 1924 denomination), which are outdated and not dissuasive under current standards.

51. **Criterion 25.8** is *partly met*. As outlined in the 2018 MER, sanctions were not available for ensuring compliance by trustees. There was a gap with an absence of sanctions to implement c.25.3, i.e. to ensure on trustees of foreign trusts disclose their status to FIs / DNFBPs at the point of establishing a customer relationship or conducting occasional transactions.

52. There are general provisions for REs to maintain records and ensure it is available to the FIU or competent authorities (s23 of the AML Law). As per c.25.7, correlating sanctions for failure to comply are general criminal sanctions (s44 AML Law), not specific to REs. These are no proportionate and dissuasive sanctions for failing to grant competent authorities' timely access to information regarding a trust. With respect to wakfs, the powers of competent authorities to access information are limited. Section 4(2) of the Mussalman Wakf Act 1924 allows courts to request information from mutawallis in specific cases, but this does not equate to timely and direct access by competent authorities. Furthermore, the monetary penalties under Section 10 (ranging from 500 to 2,000 rupees as denominated in 1924) are outdated and not dissuasive under present-day standards.

Weighting and Conclusion

53. Myanmar has made recent improvements to its legal framework for express trusts through the 2024 amendments to the Trusts Act, which introduced clear obligations for trustees to obtain, maintain, and provide timely access to beneficial ownership and related trust information. These obligations are supported by powers under the AML Law and CDD requirements applicable to FIs and DNFBPs. However, the framework remains incomplete, particularly regarding the legal arrangement of wakfs, which are not covered by the amended Trusts Act. This was not noted captured in the 2018 MER.

54. Whilst Myanmar has advised no wakfs are currently registered, relevant legislation (the Mussalman Wakf Acts of 1913 and 1924) remains in force and legally enables their creation and administration. Wakfs meet the FATF definition of legal arrangements and should be subject to equivalent transparency obligations. However, there are no legal or enforceable obligations on mutawallis (wakf trustees) to collect, maintain, or disclose beneficial ownership or other relevant information, nor are there powers for competent authorities to access such information in a timely manner outside limited judicial procedures. Sanctions under wakf legislation are outdated and not dissuasive, and international cooperation mechanisms for wakfs remain unclear. Although progress has been made for express trusts, these gaps—especially regarding wakfs—impact the overall compliance of the framework.

55. ***Recommendation 25 is re-rated Partially Compliant.***

IV.CONCLUSION

56. Overall, Myanmar has made progress in addressing the technical compliance deficiencies identified in its MER and has been re-rated to PC on R.7 and R.25.

57. A summary table setting out the underlying deficiencies for each of the recommendations assessed in this report is included at Annex A.

58. Overall, in light of the progress made by Myanmar since its MER was adopted, its technical compliance with the FATF Recommendations as follows as of the reporting date 1 October 2024:

| R. | Rating | R. | Rating |
|-----------|--|-----------|--|
| 1 | PC (2018 MER), ↑ LC (2019 FUR) | 21 | LC (2018 MER) (2019 FUR) |
| 2 | LC (2018 MER), (2019 FUR) | 22 | PC (2018 MER), ↑ LC (2021 FUR) |
| 3 | C (2018 MER) | 23 | PC (2018 MER), ↑ LC (2021 FUR) |
| 4 | LC (2018 MER) | 24 | NC (2018 MER) (2019 FUR), ↑ PC (2020 FUR) (2023 FUR) |
| 5 | LC (2018 MER) | 25 | NC (2018 MER), ↑ PC (2024 FUR) |
| 6 | LC (2018 MER) | 26 | PC (2018 MER) (2019 FUR) (2020 FUR), (2021 FUR) (2022 FUR) (2023 FUR), ↑ LC (2024 FUR) |
| 7 | NC (2018 MER, 2023 FUR), ↑ PC (2024 FUR) | 27 | C (2018 MER) |

| R. | Rating | R. | Rating |
|-----------|---|-----------|--|
| 8 | PC (2018 MER), (2019 FUR) | 28 | NC (2018 MER), ↑ PC (2022 FUR) |
| 9 | C (2018 MER) | 29 | PC (2018 MER) (2021 FUR) |
| 10 | PC (2018 MER) (2019 FUR), ↑ LC (2020 FUR) | 30 | LC (2018 MER) |
| 11 | C (2018 MER) | 31 | LC (2018 MER) |
| 12 | PC (2018 MER), ↑ LC (2020 FUR) | 32 | PC (2018 MER) |
| 13 | PC (2018 MER) (2019 FUR), ↑ LC (2020 FUR) | 33 | PC (2018 MER), ↑ LC (2022 FUR) |
| 14 | NC (2018 MER) (2019 FUR), ↑ PC (2020 FUR) (2021 FUR) (2022 FUR), ↑ LC (2023 FUR) | 34 | PC (2018 MER) (2022 FUR) |
| 15 | LC (2018 MER), ↓ PC (2020 FUR) | 35 | PC (2018 MER) |
| 16 | LC (2018 MER) | 36 | PC (2018 MER) (2019 FUR) |
| 17 | C (2018 MER) | 37 | PC (2018 MER) (2019 FUR) |
| 18 | C (2018 MER), ↓ LC (2019 FUR) | 38 | PC (2018 MER) |
| 19 | NC (2018 MER), ↑ PC (2019 FUR), (2020 FUR), ↑ C (2021 FUR) | 39 | PC (2018 MER) |
| 20 | C (2018 MER) | 40 | LC (2018 MER) |

59. Myanmar has 26 Recommendations rated C/LC.

Summary of Technical Compliance –Deficiencies underlying the ratings³

| Compliance with FATF Recommendations | | |
|---|---|---|
| Recommendation | Rating | Factor(s) underlying the rating ⁴ |
| 7. Targeted financial sanctions related to proliferation | NC (2018 MER, 2023 FUR), ↑ PC (2025 FUR) | <ul style="list-style-type: none"> The 2023 CCCT Order does not explicitly ensure that “any funds or other assets” are prevented from being made available to or for the benefit of designated persons or entities. There is a lack of clarity regarding the mechanisms for promptly communicating UN designations to financial institutions (FIs) and designated non-financial businesses and professions (DNFBPs). Obligations to report attempted transactions involving third parties providing assets to designated persons are not clearly established. The existing Order and Guidance does not provide a clear guidance on the enforcement process. The ability of Myanmar authorities to de-list entities based on their own assessment is not consistent with UNSCR 1718 requirements, where such authority resides with the UN. The 2023 CCCT Order does not clearly outline procedures for de-listing, handling extraordinary expenses, or communicating such decisions to relevant authorities and reporting entities, as required under paragraph 9(b) of UNSCR 1718. |
| 25. Transparency and beneficial ownership of legal arrangements | NC (2018 MER), ↑ PC (2025 FUR) | <ul style="list-style-type: none"> Under the Mussalman Wakf Validating Act 1913 and the Mussalman Wakf Act 1924 there are no obligations for a trustee of a Waqf to: (1) obtain and hold current and accurate information on the identity of the settlor, trustee(s), beneficiaries and other persons exercising effective control over the Waqf; (2) hold basic information on other regulated agents of, and services providers to, the trust, including investment advisors or managers, accountants and tax advisors; and (3) keep all information related to beneficial ownership for at least five years after their involvement with the discharge of trustee, as required under c.25.1. |

³ Ratings and factors underlying the ratings are only included for those recommendations under review in this FUR.

⁴ Deficiencies listed are those identified in the MER unless marked as having been identified in a subsequent FUR.

| Compliance with FATF Recommendations | | |
|--------------------------------------|--------|---|
| Recommendation | Rating | Factor(s) underlying the rating ⁴ |
| | | <ul style="list-style-type: none"> • The Wakf Validating Act 1913 and the Mussalman Wakf Act 1924 do not require the keeping of information outlined in 25.1(a) and 25.1(b), therefore, the requirements under c.25.2 cannot be assessed relative Waqf. • There is no requirement for a trustee of a Waqf to disclose the trustee's status to financial institutions and Designated Non-Financial Businesses or Professions (FIs/DNFBPs) and report to relevant competent authorities when forming a business relationship or carrying out an occasional transaction above the threshold (c.25.3). • The powers and obligations required under c.25.5 do not extend to wakfs, which are governed by the Mussalman Wakf Validating Act 1913, and the Mussalman Wakf Act 1924. • Myanmar's capacity to provide rapid international cooperation with respect to information, including beneficial ownership information, with respect to wakfs as required under c.25.6 is unclear. • The sanctions are not proportionate, dissuasive, or effective in practice for trustees. Furthermore, the Mussalman Wakf Act 1924 does not establish trustee liability for AML/CFT-related breaches. Although courts can request information from mutawallis under Section 4(2), this is limited to specific judicial inquiries. Section 10 provides fines between 500 and 2,000 rupees (as per the 1924 denomination), which are outdated and not dissuasive under current standards (c.25.7). • No proportionate and dissuasive sanctions for failing to grant competent authorities' timely access to information regarding a trust. With respect to wakfs, the powers of competent authorities to access information are limited. Section 4(2) of the Mussalman Wakf Act 1924 allows courts to request information from mutawallis in specific cases, but this does not equate to timely and direct access by competent authorities. Furthermore, the monetary penalties under Section 10 (ranging from 500 to 2,000 rupees as denominated in 1924) are outdated and not dissuasive under present-day standards (c.25.8). |

