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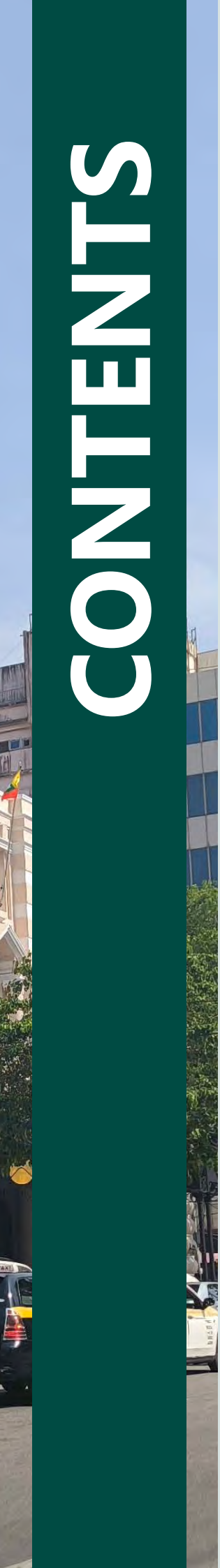
BANKING AND FINANCE COMPENDIUM

2025 – 2026

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This compendium is based on our understanding of the publicly available legislations/sub-legislations in the banking sector issued by the Central Bank of Myanmar between the first quarter of 2025 and the second quarter of 2026, and may be affected by laws that are subsequently passed by the Myanmar government or notifications that are adopted by various ministries.

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FOREWORD

The financial and regulatory landscape in Myanmar has continued to evolve throughout 2025 and 2026, with the Central Bank of Myanmar issuing a series of directives, notifications and orders across a broad range of subject matters. These issuances have addressed, among other things, the export earnings conversion ratio, border trade payment frameworks, offshore remittance business licensing, anti-money laundering obligations, reserve requirements, digital payment infrastructure and the regulatory position on crypto assets. This compendium provides a structured overview of those developments and their implications for the banking and finance sector.

This compendium is from DFDL Myanmar's series of financial law-related compilations, which started in 2022 to collect various financial laws and regulations enacted following the political crisis in 2021. The compendium comprehensively overviews the legal and regulatory developments affecting the banking and finance sector during this period. By presenting the information in a structured and accessible format, we aim to assist businesses, investors, and policymakers in navigating these changes effectively. The previous compendiums can be accessed here: (i) 2021-22 Compendium; and (ii) 2022-23 Compendium; and (iii) 2023-24 Compendium.

DFDL remains committed to supporting stakeholders with precise, innovative, and actionable legal insights. We trust that this publication will serve as a valuable resource for understanding the dynamic regulatory environment and its implications for financial operations in Myanmar

Warm regards,

Nishant Choudhary
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INTRODUCTION

In 2022–23, the Central Bank of Myanmar ("**CBM**") issued several measures to bolster the country's foreign exchange reserves in response to the political situation and the COVID-19 pandemic.

In 2023-24, the CBM introduced measures to conserve foreign exchange reserves, enforce timely payment of export proceeds, establish frameworks for border trade payments, regulate digital payments and transactions, manage interest rates effectively, and so on. DFDL had compiled a compendium that tracked these developments until approximately the last quarter of 2024.

During 2025-2026, the CBM continued and, in several respects, intensified this trajectory. It issued new offshore remittance business regulations to strengthen the licensing regime and to prosecute unlicensed foreign currency transactions; the National Defence and Security Council enacted a new Anti-Money Laundering Law that consolidates and expands the obligations of reporting organisations; the CBM further revised the export earnings conversion ratio, adjusted the minimum reserve requirement ratio and the interest on excess reserve funds, and published new guidance on the development of a cashless payment ecosystem and its position on crypto assets.

In this document, DFDL provides an overview of the key legal developments in foreign exchange and related matters from approximately January 2025 till July 2026. To provide convenience to our readers, we have arranged the information chronologically and categorised it according to specific subject matters.



PART I: TRADE EARNINGS AND EXPENDITURES

The 2023-24 compendium traced the arc of the export earnings conversion ratio from 65% (August 2022) to 50% (July 2023), to 35% (December 2023), and finally to 25% (August 2024). Immediately after that compendium's cut-off, at its meeting on 2 September 2024, the Foreign Exchange Supervisory Committee directed authorised dealer banks that 75% of earnings from trade, cut-make-pack ("**CMP**") activities, and minerals and natural resources (excluding exempted companies and companies operating under a Myanmar Investment Commission permit) be sold to secure sufficient foreign currency for importing fuel and edible oil until adequate export earnings were achieved. This measure set the immediate context for the developments during 2025-2026 outlined below.

Export Earnings and Related Issuances

1. During 2025, the export earnings conversion requirement introduced by the CBM notification of 7 August 2024 remained unchanged. Accordingly, exporters were required to convert 25% of their export earnings into Myanmar Kyat ("**MMK**") at the CBM reference exchange rate, while the

remaining 75% could be converted at the online trading rate in accordance with the procedures prescribed under the CBM notification of 4 April 2022.

2. On 30 June 2025, the CBM announced that 197 companies were blacklisted for failing to return export proceeds relating to exports conducted between 2016 and 2020. The blacklist measures applied to both the companies and their directors. The authorities stated that the companies had failed to comply with foreign exchange regulations despite coordination efforts by relevant government bodies and authorised dealer banks ("**AD Banks**").

3. On 22 August 2025, the CBM issued new rules on Export Proceeds Requirements for Exporters stating the following:

   (a) Exporters must obtain export licences through the Ministry of Commerce's TradeNet 2.0 system, sign sales contracts with foreign buyers, and secure an Export Declaration ("**ED**") from Customs before shipment. The Myanmar Port Authority issues a Bill of Lading ("**B/L**") during loading.

   (b) The new rule states that the exporters must repatriate foreign currency proceeds within 30 days for exports to ASEAN countries and 60 days for exports to non-ASEAN countries as per notification No.27/2023 (Notification of 25 December 2023). Failure to comply with this may lead to prosecution under the Foreign Exchange Management Law ("**FEML**"), punishable by imprisonment of up to one year, fines, or both.

   (c) Exporters must immediately reconcile export proceeds with their AD Banks, confirming which ED the proceeds correspond to and providing full supporting documents (ED, sales contract, invoice, B/L). The rule states that if the documentation is incomplete or inconsistent, the proceeds will remain on CBM's outstanding list.

   (d) The CBM will monitor compliance through its Foreign Exchange Management System ("**FEMS**"), which will cross-check Customs data with bank reports. AD Banks will notify exporters regarding outstanding proceeds and set deadlines for reconciliation. If exporters fail to act, the CBM will escalate the matter to the Ministry of Commerce, which may suspend import-export licences. Action Task Forces may also contact exporters directly in Yangon, Naypyidaw, and Mandalay to facilitate repayment.

   (e) Continued non-compliance will result in blacklisting. Additionally, the directors of the company may also be blacklisted. Among other things, blacklisting restricts banking and financial services, suspends licences, prevents directors from entering or leaving Myanmar, and causes reputational and investor confidence losses. To lift blacklisting, exporters must repatriate all outstanding proceeds, complete reconciliation, and apply to the CBM with bank confirmation.

   (f) If exporters cannot repatriate proceeds due to deterioration of the goods, damage, defects, or re-export requirements, they must submit timely supporting documents to the CBM. The CBM may approve cancellation of such obligations after examination.

4. On 7 January 2026, the CBM issued a further notification revising the export earnings exchange requirement. Under the notification, exporters are required to convert 15% (reduced from 25%) of their export earnings into MMK at the CBM reference exchange rate, while the remaining 85% (increased from 75%) may be exchanged at the online trading rate. The revised conversion ratio applies retrospectively from 1 January 2026, and the balance of the framework established by the CBM notification of 4 April 2022 continues to apply. The provisions were made effective immediately, and non-compliance was punishable per the FEML.

Border Trade Payment Frameworks

The 2023-24 compendium described the frameworks introduced by the CBM to facilitate direct-currency payments across the Thai, Chinese and Indian borders, including the CBM's Guidelines on THB-MMK Direct Payment Operations of 13 November 2023 and the CBM's notification and guidelines of 25 January 2024 on the Payment

Mechanism under the Special Rupee Vostro Account ("SRVA") in India-Myanmar bilateral trade. Although these frameworks were introduced and detailed in prior compendia, they are reiterated below for the convenience of readers and for completeness. These frameworks continued to apply during 2024-2026 as summarised below.

Thailand-Myanmar Border Trade

On 21 August 2024, the CBM issued a revised version of the Guidelines for the THB-MMK Direct Payment Operations. The revised guidelines updated the banking procedures, permits and scope for cross-border trade, remittances and other transactions in Thai Baht and Myanmar Kyat, refined the exchange-rate and reporting requirements, and reinforced the anti-money laundering safeguards applied at authorised dealer banks. The revised guidelines superseded the 2023 version and were intended to enhance trade efficiency and financial security between Thailand and Myanmar.

Myanmar-India Border Trade

On 20 February 2024, the CBM issued the SRVA Guidelines for India-Myanmar Border Trade Payments, providing detailed operational rules for payments in Rupees and Kyats through the SRVA channel facilitated by Punjab National Bank (New Delhi) and its Yangon representative office. The Guidelines were issued under the legal framework of the FEML and pursuant to the arrangement between the Reserve Bank of India, the Department of Financial Services (Ministry of Finance, India), the CBM and the Embassy of India in Myanmar. They cover both border trade and normal trade between the two countries, and permit designated banks to open Rupee accounts for importers and exporters engaged in bilateral trade.

On 22 July 2024, the CBM issued a letter designating additional authorised banks for the SRVA channel. Alongside Punjab National Bank (Yangon representative office), UAB Bank and CB Bank PCL, the Reserve Bank of India approved a further six banks - Global Treasure Bank, Yoma Bank, Ayeyarwaddy Farmers Development Bank, Myanmar Citizens Bank, Ayeyarwady Bank and Shwe Rural and Urban Development Bank - as designated banks. Myanmar Economic Bank was also proposed to participate in the SRVA mechanism.

China-Myanmar Border Trade

The Yuan-Kyat direct payment mechanism on the China-Myanmar border, introduced by the CBM in December 2021 (as recorded in the 2021-22 compendium) and reinforced by permitting fuel importers to repay portions of existing and future trade financing agreements in Chinese Yuan in September 2022 (recorded in the 2022-23 compendium), continued to operate as the principal cross-border channel for imports from China. In its trade newsletter of 4 July 2023, the CBM confirmed the standing arrangements for cross-border payment for imports from China; to the best of our knowledge, no further material framework-level change was notified to authorised dealer banks during 2025-2026.

Timeline for Receipt of Export Proceeds From Asia & Other Countries

5. Building on the trajectory recorded in the 2023-24 compendium (under which the CBM had first set, by its announcement of 11 November 2023, the periods for the receipt of export proceeds at 45 days for exports to Asian countries and 90 days for exports to non-Asian countries, and then reduced these to 30 days and 60 days respectively by its notification of 25 December 2023), the CBM revisited this timeline in its export proceeds article of 22 August 2025. The article restated that earnings from exports to Asian countries must be received within 30 days of shipment, while exports to countries outside Asia should be received within 60 days from the export date, directly into the exporter's bank account in Myanmar. Non-compliance with these stipulations and the subsequent failure to remit export earnings in a foreign currency was again confirmed to be punishable under the FEML and its implementing regulation.



PART II: NON-TRADE RELATED ISSUANCES

Foreign Exchange Conservation Measures

1. On 14 January 2025, the CBM issued a public announcement stating that it is working in coordination with law enforcement authorities to maintain stability in the foreign exchange market and exchange rates.The CBM published on its website that foreign currency dealers and individuals involved in illegal foreign currency transfers will be identified and subject to prosecution.

2. On 12 June 2025, the CBM announced measures to maintain stability in the foreign exchange market. The CBM stated that it continues to sell foreign currency to importers through the Online Trading Platform and to individuals travelling abroad for approved purposes through private bank exchange counters. It also confirmed that enforcement actions are being taken against persons engaged in online foreign exchange and USDT speculation, the dissemination

of false information, and unlicensed foreign exchange trading, including prosecution under applicable laws, suspension of bank and payment accounts, deactivation of SIM cards, and other legal measures.

3. On 16 January 2026, the CBM announced that it continues to support foreign exchange market stability by selling foreign currency through the Online Trading Platform and private bank exchange counters for approved purposes. The CBM reported substantial foreign currency sales during the 2024–2025 and 2025–2026 fiscal years, including more than USD 3 billion for priority sectors such as fuel, edible oil, telecommunications, and electricity.

   On 6 August 2025, the Office of the National Defence and Security Council issued an order re-constituting the Foreign Exchange Supervisory Committee ("**FESC**") first established by the SAC order of 4 April 2022 (as recorded in the 2022-23 compendium). The reconstituted FESC is chaired by the Prime Minister and Union Minister for National Planning, and comprises the Union Ministers for Investment and Foreign Economic Relations, Commerce, and Finance and Revenue, the Union Auditor General, and the Governor of the CBM. Its remit continues to encompass the approval of foreign currency required for imports of machinery, industrial vehicles, equipment, utilities and raw materials for investment projects and manufacturing; for fuel, medicines, edible oil, fertilisers, pesticides and construction materials; for travel abroad by Myanmar citizens for medical, educational and religious purposes; for general imports, repayment of foreign loans and interest, service fees, and repatriation of profits; and for the importation of luxury goods based on necessity.

   On 21 April 2026, the Union President's Office issued a further order forming the Foreign Currency Supervisory Committee ("**FCSC**"), chaired by a Vice President, with the Union Ministers for Finance and Revenue, Commerce, and National Planning, Investment and Foreign Economic Relations, the Auditor General of the Union, and the Chairman of the CBM as members. The FCSC carries substantially the same scrutiny and approval remit as the FESC (across imports of production inputs, essential consumer goods, service payments, dividend repatriation, and overseas travel for social purposes) and represents the current institutional framework for foreign currency supervision.

   The CBM also stated that it is intensifying enforcement against illegal online foreign currency trading and financial fraud by inspecting licensed money changers, investigating unlicensed foreign exchange dealers by cooperating with the Ministry of Home Affairs and law enforcement authorities.

New Offshore Remittance Business Regulations

On 18 May 2026, the CBM issued the Offshore Remittance Business Regulations, 2026 (the "2026 Regulations"), repealing the previous offshore remittance regulations first issued by the CBM in November 2019.

The 2026 Regulations sit against a lineage of prior CBM issuances covered in the previous compendiums. Offshore remittance services were first regulated by the CBM's offshore remittance regulations of November 2019, which set out the licensing application process, timelines, and initial operating conditions (summarised in the 2022-23 compendium). That framework was supplemented by the CBM's directives of 12 January 2023 establishing the fit-and-proper criteria for the appointment of management-level personnel of both remittance and money-changer businesses, and extending the eligibility framework to substantial shareholders, beneficial owners and key officers. The 2026 Regulations consolidate the earlier framework and introduce the enhanced licensing, AML/CFT, operational and fee requirements summarised below.

4. The key changes include:

   (a) **Licensing Requirements:** Applicants must provide evidence that their overseas partners or representatives hold valid remittance licences in their respective jurisdictions. Criminal clearance certificates are now required for all shareholders, instead of only shareholders holding 10% or more of the company.

   (b) **Operational Requirements:** While the MMK 100 million security deposit requirement remains unchanged, licensees

may maintain no more than two revolving fund bank accounts per country. The previous transfer limits of USD 1,000 per transaction and USD 5,000 per month per customer have been removed, subject to compliance with applicable foreign exchange regulations and CBM directives. Transaction records must be retained for at least five years.

(c) **AML/CFT Compliance:** Licensees are required to establish written AML/CFT policies, conduct documented risk assessments, maintain quarterly risk reports, implement staff training programmes, perform enhanced customer due diligence, screen customers against applicable sanctions lists, and report suspicious transactions to the Financial Intelligence Unit ("**FIU**").

(d) **Licence Validity and Fees:** A licence remains valid for three years. The initial licence fee has increased from MMK 1 million to MMK 3 million, and the annual fee has increased from MMK 100,000 to MMK 300,000, while the renewal fee remains MMK 1 million. A licence may be suspended if no business is conducted within one year of issuance or if the licence holder fails to apply for renewal at least three months before expiry. The CBM may also revoke a licence for non-compliance with applicable laws, regulations or directives.

(e) **Penalties:** The 2026 Regulations introduce a maximum fine of MMK 10 million for failure to submit suspicious activity or suspicious transaction reports, without prejudice to other legal action under applicable laws.

Enactment of New Anti Money Laundering Law

On 11 March 2026, the National Defence and Security Council enacted a new Anti-Money Laundering Law ("AML Law"), repealing the Anti-Money Laundering Law of 2014.

The new AML Law replaces and extends the framework that had developed since the CBM's Directive on Customer Due Diligence for Anti-Money Laundering and Combating the Financing of



Terrorism first issued in 2019 (covered in the 2022-23 compendium), which required licensed banks to establish risk-based internal controls, apply enhanced due diligence to high-risk situations, screen politically exposed persons and report suspicious transactions to the Financial Intelligence Unit. Two intervening developments framed the transition to the 2026 statute: (i) in October 2022, the Financial Action Task Force placed Myanmar on its list of high-risk jurisdictions subject to a call for action, following which the CBM's press release of 22 October 2022 called on Myanmar financial institutions to abide by the FATF's 40 recommendations; and (ii) in November 2022, the Microfinance Supervisory Committee (under the Ministry of Planning and Finance) issued its directive on risk-based AML/CFT management for microfinance institutions. The 2026 AML Law, summarised below, brings these threads together in primary legislation with substantially strengthened obligations and penalties.

5. The AML Law introduces enhanced obligations for reporting organisations, including banks, financial institutions, and Designated Non-Financial Businesses and Professions ("**DNFBPs**"), together with stricter criminal and administrative penalties for non-compliance.

   The AML Law applies to reporting organisations, including banks, financial institutions, DNFBPs, and other entities designated by the Central Body. DNFBPs include casinos, real estate agents, dealers in precious metals and gemstones, certain legal and accounting professionals, trust and company service providers, trustees, and nominee shareholders. Reporting organisations must conduct and regularly update documented risk assessments relating to money laundering, terrorist financing, and proliferation financing, and must perform Customer Due Diligence ("CDD") before establishing business relationships, opening accounts, conducting threshold transactions, or transferring funds. CDD includes customer identification, beneficial ownership verification, and assessment of the purpose and nature of the business relationship.

   Enhanced due diligence is required for higher-risk dealings, including those involving Financial Action Task Force ("FATF")-listed countries or high-risk customers. Reporting organisations must establish procedures to identify Politically Exposed Persons ("PEPs") and apply enhanced measures, including senior management approval and source of wealth verification, for Foreign PEPs and high-risk PEP relationships. Where there are reasonable grounds to suspect that transactions involve proceeds of crime or terrorist financing, reporting organisations must submit Suspicious Transaction Reports ("STR") to the Financial Intelligence Unit ("FIU") without delay, covering both completed and attempted transactions. Legal professionals are exempt from reporting information obtained solely for legal advice or representation purposes.

   Reporting organisations must retain CDD records, transaction records, and risk assessment documents for at least five years, appoint a senior-level compliance officer, and maintain effective AML/CFT internal controls. Anonymous, fictitious, or false-name accounts are prohibited, and banks must not establish relationships with shell banks. Individuals entering or leaving Myanmar carrying currency, bearer negotiable instruments, precious stones, or metals above the prescribed threshold must declare such items to Customs authorities; undeclared items may be confiscated.

   The AML Law imposes significant penalties for non-compliance, including imprisonment, fines, and substantial financial penalties for companies and financial institutions. Offences include money laundering, failure to conduct CDD, failure to report suspicious transactions, operation of shell banks, and confidentiality breaches. Courts may also order confiscation of proceeds of crime and related assets upon conviction.

Limits on Carrying Foreign Currency for Overseas Travel by Myanmar Citizens

6. On 15 January 2025, AD banks confirmed that CBM's petty cash programme for outbound travellers remained in effect. Under the programme, Myanmar citizens travelling abroad for employment, education, medical treatment, pilgrimage, or to attend meetings upon invitation from foreign governments or organisations may purchase up to USD 500 (or its equivalent in other foreign currencies) from designated AD Bank foreign exchange



counters upon submission of the required supporting documents. The foreign currencies available under the programme continued to include USD, Euro, Singapore Dollar, Thai Baht, Malaysian Ringgit, Chinese Yuan and Japanese Yen. In addition to the Yangon International Airport counters, designated bank counters in Yangon, Mandalay, Nay Pyi Taw and Taunggyi continued to provide this service.

Based on publicly available issuances, between January 2025 and July 2026, the CBM did not announce any amendment to the permitted petty cash amount for overseas travellers. The existing policy allowing eligible Myanmar citizens to purchase USD 300–500 (or the equivalent amount in other approved foreign currencies) remained unchanged. The CBM continued to state that the measure was intended to facilitate legitimate overseas travel while reducing reliance on unauthorised foreign exchange markets and encouraging the use of internationally accepted debit and credit cards for overseas payments.

Inward Remittances by Expatriate Workers

The 2023-24 compendium recorded the CBM's notification of 14 August 2024, under which Myanmar workers employed abroad were required to transfer at least 25% of their wages to their family members in Myanmar through official banking channels or via CBM-authorised remittance business licence holders, either monthly or at least once every three months, with the alternative of remitting via international money transfer services linked to the banking system. That framework was reinforced by the Ministry of Labour's parallel notification of 28 August 2024, which added enforcement consequences for non-compliance — including bans on overseas employment, restrictions on the issuance of Overseas Worker Identification Cards, and the non-renewal of passports — together with warnings against reliance on illegal Hundi brokers. Based on publicly available issuances, this framework has continued to apply throughout the 2025-2026 period without material amendment; recruitment agencies remain responsible for facilitating the remittances and reporting them monthly to the Ministry of Labour.

CBM to No Longer Determine Forex Rate

The 2023-24 compendium tracked the CBM's directive of 5 December 2023, by which the CBM ceased to determine exchange rates on the online trading platform and confirmed that such rates would thereafter be set by market forces, based on the offer and bid proposals submitted by participants trading through authorised dealer banks. Offshore remittance of foreign currency funds acquired through the online trading platform continued to require processing in accordance with FESC procedures. During 2025-2026, the CBM's foreign exchange market stability measures described earlier in this compendium have all operated within this decentralised online-trading framework: the CBM has sold foreign currency through the Online Trading Platform and private bank exchange counters for approved purposes (fuel, edible oil, telecommunications, electricity and other priority sectors) rather than fixing a reference rate itself. Based on publicly available issuances, no return to CBM-set reference rates was notified during the 2025-2026 period.

Regulation of Financial Institutions

The 2022-23 compendium set out the CBM's directives of January 2021 and 13 July 2022 governing the establishment, operations, and management of non-bank financial institutions ("**NBFIs**") — including the 2022 directive permitting the establishment of a 100% foreign-owned NBFI or a joint venture with a local NBFI, the fit-and-proper criteria for management-level staff of NBFIs, and the November 2022 directives stipulating the fees payable by banks and NBFIs for the relocation of branch offices and head offices. The 2023-24 compendium then tracked (i) the CBM's directive of 15 December 2023 requiring NBFIs to obtain the CBM's prior approval before issuing subordinated debt (subject to conditions on debt-to-equity ratios, non-public-offering limits, and prohibitions on issuance to affiliated organisations); and (ii) the CBM's Directive on Agent Banking Services of 6 February 2024. These frameworks remained in force during the 2025-2026 period. Two further developments in this area warrant note:



First, the CBM issued its Guidelines on Standard Procedures for Handling Fraud Complaints Arising from the Use of Banking and Mobile Financial Services on 15 September 2023, which entered wider circulation to industry in May 2025 and now form the operative fraud-response framework. The Guidelines, issued under section 132(b) of the Financial Institutions Law, require: (i) prompt reporting of fraudulent withdrawals by victims to the bank or mobile financial service provider's call/complaint centre and the nearest police station; (ii) verification by the call/complaint centre and immediate escalation to the operational department; (iii) immediate freezing of the accounts of the complainant, the suspected fraudster and any related individuals for 72 hours following verification; (iv) reporting of the frozen account details and related transaction records to the CBM and the Financial Intelligence Unit as suspicious transactions within 24 hours; and (v) release of the frozen accounts after 72 hours in the absence of confirmation from the police station that a case has been opened. The Myanmar Police Force, the Financial Intelligence Unit and the CBM are jointly responsible for taking legal action, obtaining account holder information and transaction records, and maintaining or lifting temporary account freezes in accordance with the law.

Secondly, on 24 June 2025, the CBM notified the formation of the Central Committee for the Issuance of Central Bank Digital Currency ("**CBDC Committee**"), under the approval of the Office of the State Administration Council dated 1 May 2025, in order to systematically implement the tasks related to the issuance of a Myanmar CBDC. The CBDC Committee is headed by the Deputy Governor of the CBM and comprises Directors-General of the CBM's principal departments (Monetary Policy, Research, International Relations and Training; Banking Regulation and Supervision; Foreign Exchange Management; Financial Management; Financial Markets/Payment and Settlement; and Management and Human Resource Development), together with senior officers of the Information Technology and Cyber Security Department of the Ministry of Transport and Communications, the Financial Regulatory Department of the Ministry of Planning and Finance, and representatives of the Myanmar Banks Association, the Myanmar Payment Union and the Myanmar Computer Federation. Its remit spans research, testing, development and operational activities relating to the CBDC — including design, technology and regulatory frameworks; ledger technology, databases, digital platforms and cybersecurity; the development of laws, procedures, regulations and standards for CBDC issuance to ensure compatibility with the existing financial system; and human-resource mobilisation, capacity building and budget allocation. This work links to the CBM's broader position on cryptocurrency and digital assets described below.

Notification From the Financial Regulatory Department

The 2023-24 compendium recorded the Financial Regulatory Department ("**FRD**") notification of 16 February 2024, under which the FRD confirmed that it would not approve the remittance of funds from a microfinance institution's ("**MFI**") foreign currency account (including the purchase of foreign currency to be remitted) in respect of overdue expenses incurred in foreign currency, and that companies associated with such overdue payments would be held accountable for late submissions. The FRD further clarified that it would coordinate exclusively with the FESC to secure approval for remittances from an MFI's foreign currency account (including the purchase of foreign currency) for current expenses such as software service charges, interest, loan guarantee fees, and salaries for foreign personnel. Based on publicly available issuances, this position has been maintained during the 2025-2026 period, and MFIs have continued to route their remittance approvals through the FRD accordingly.

Reserve Requirements of Banks

The reserve requirement ratio has been adjusted several times since the pandemic-era reductions tracked in the earlier compendiums (which brought the ratio down from 5% to 3.5% in 2020, and then to 3% in 2021, together with a temporary formula that included cash held in banks in the reserve calculation). The 2023-24

compendium then tracked the CBM's directive of 30 April 2024 (which took effect on 3 May 2024), by which the CBM increased the minimum reserve requirement ratio from 3.5% to 3.75% — comprising 3% from banks' deposits with the CBM and 0.75% from cash in hand — and set the interest rate on average excess reserves at 3.80% for average excess reserves in the range of MMK 7 billion to MMK 50 billion. The 21 March 2025 order described below marks the further and substantial increase of the reserve ratio to 6%, together with the current threshold and interest-rate framework.

7. On 21 March 2025, the CBM issued an order that raised the minimum reserve requirement ratio from 3.75% to 6%. The decision had been taken at the Monetary Policy Committee Meeting held on 28 February 2025. Banks are required to maintain an average excess reserve in the range of MMK 7 billion to MMK 50 billion in order to qualify for interest payments, and the CBM stated that it would periodically adjust the minimum and maximum reserve thresholds and the interest rate based on market conditions.

   Interest will be calculated based on the last day of the maintenance period and credited to banks' accounts on a T+2 basis. Payments will start from 26 March, 2025, covering the maintenance period until 22 April, 2025. These adjustments apply uniformly to state-owned banks, private banks, and foreign bank branches operating under retail banking service licences.

   On 3 October 2025, the Monetary Policy Committee resolved to increase the Interest on Average Excess Reserve (the interest paid on excess reserves held by banks with the CBM beyond the required minimum reserve ratio for MMK deposits on a 28-day term), and to set the applicable rate in line with the average one-month money market interest rate as a liquidity-withdrawal measure. The measure was aimed at controlling inflation and stabilising the value of the Myanmar Kyat while enhancing banks' interest income, thereby supporting banking sector and overall financial stability. The IOER rate was set at 8%.

Cryptocurrency Is (Still) Unauthorised

8. On 16 November 2025, the CBM issued a public notice reminding the public of its regulatory position on crypto assets and digital currencies.

   The CBM reiterated that it does not permit the online or over-the-counter trading of digital currencies, including cryptocurrencies, as previously announced on 3 May 2019 and reaffirmed on 24 May 2024. It also referred to its order dated 15 May 2020, which clarified that digital currencies (including cryptocurrencies) are not recognised as legal tender in Myanmar and that financial institutions are not authorised to facilitate the purchase, sale, exchange, or other transactions involving such assets.

   The CBM noted that several jurisdictions, including China, India, Algeria, Bolivia, Egypt, Nepal, Pakistan, Vietnam, Indonesia, Angola and Colombia, likewise do not recognise cryptocurrencies as legal tender. While some jurisdictions permit cryptocurrencies to be held as digital assets or used for investment or trading purposes, China continues to prohibit cryptocurrency transactions while conducting pilot programmes for its central bank digital currency (e-CNY). The CBM stated that it is also conducting research on the potential development of a Central Bank Digital Currency ("CBDC").

   The CBM further noted that, despite prohibitions on the use of cryptocurrencies as legal currency in certain jurisdictions, the use of crypto assets for investment and speculative purposes continues to grow. It warned that crypto assets have been used in connection with illicit activities, including money laundering, drug trafficking, arms smuggling, human trafficking, and online scam operations, owing to their capacity to facilitate transfers outside the traditional banking system.

   The CBM cited international enforcement actions by the United Kingdom and the United States against businesses allegedly linked to money laundering and online fraud, including the seizure by U.S. authorities of approximately USD 14 billion worth of Bitcoin connected with cryptocurrency fraud. The CBM observed that these actions demonstrate that crypto assets



may be traced, frozen and confiscated where associated with criminal activities.

The CBM warned that the cryptocurrency market is characterised by significant price volatility, limited regulatory oversight, and cybersecurity vulnerabilities, all of which may result in substantial financial losses. Accordingly, the CBM urged the public not to buy, sell, transfer, hold or store unauthorised crypto assets, and to use only lawfully recognised payment channels and banking services for financial transactions.

Digital Payment Transaction Limits and Developing Cashless Society

9. The digital payment transaction limits established by the CBM's directive of 12 June 2024 remained substantively unchanged during the 2025-2026 period. Under that directive, and as subsequently fine-tuned during 2024, the transaction limits include:

   (i) P2P payments of up to MMK 1 million per transaction and MMK 5 million per day;

   (ii) P2M payments of up to MMK 10 million per day for specified sectors;

   (iii) Mobile money account balances capped at MMK 10 million;

   (iv) Mobile banking P2P and government payments of up to MMK 10 million processed through the CBM-NET ACH function; and

   (v) Transactions of MMK 10 million or more to be processed through the CBM-NET B2B function.

   On 19 February 2026, the CBM published an article outlining its vision for developing a cashless payment ecosystem and the national payment infrastructure supporting Myanmar's transition towards a cashless society.

   The CBM explained that it has been developing the National Payment Infrastructure in phases to facilitate secure and efficient digital payments in line with international standards. The development began with the establishment of CBM-NET, followed by the Myanmar

Payment Union ("**MPU**"), and more recently the implementation of the Myanmar QR Standard ("**MMQR**").

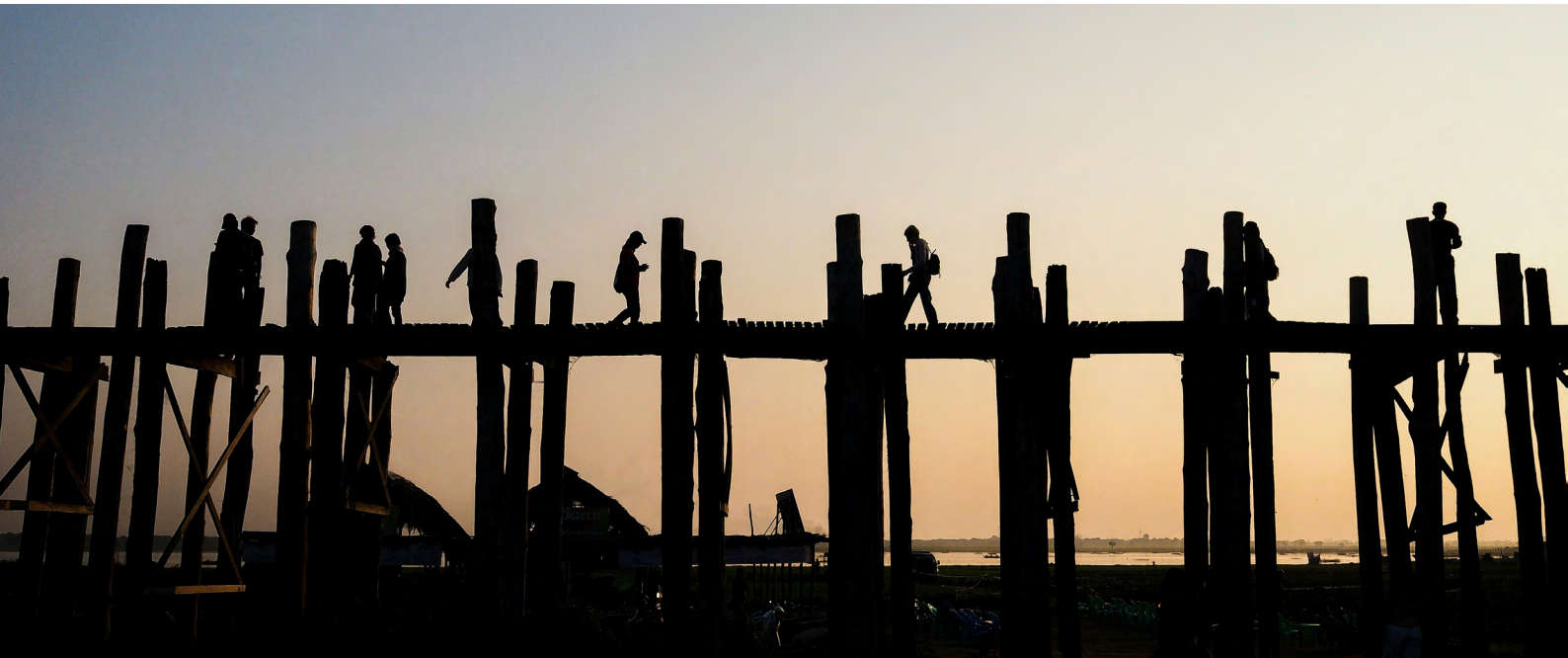
State-owned banks, private banks, non-bank financial institutions and technology companies are collectively promoting the transition from cash-based payments to digital payment systems. It noted that wider adoption of mobile banking and digital payment services is expected to improve the speed and transparency of financial transactions, enhance financial inclusion, facilitate the participation of micro, small and medium-sized enterprises ("**MSMEs**") in the formal financial sector, and expand access to financial services in rural areas.

The CBM reported that, from the launch of MMQR on 28 February 2025 until the end of January 2026, the platform had processed more than 30 million transactions with a total transaction value exceeding MMK 12.7 trillion, involving more than 420,000 merchants and over 24 million users.

Interest Rate Adjustments

The 2023-24 compendium tracked the CBM's announcement of 14 August 2024, which introduced coordinated adjustments to interest rates with effect from 1 September 2024. Under that announcement, the central bank interest rate was increased from 7% to 9%; the minimum interest rate on bank deposits was fixed at 7%; and the maximum interest rate that banks may charge on loans was capped at 15%. Banks were required to set their deposit and loan rates within the 7% to 15% band, taking into account their profitability and risk management strategies, while the interest rates applicable to special loans (aligned with national policy) were noted as remaining unchanged. Based on publicly available issuances, these parameters continued to apply throughout the 2025-2026 period without further amendment.

In parallel, the interest rate on average excess reserves ("**IOER**") has been progressively updated. Following the CBM's directive of 30 April 2024 that had set the IOER at 3.80% for the MMK 7 billion to MMK 50 billion range, the CBM's order of 24 March 2025 (issued alongside the increase of the reserve ratio to 6% described earlier in this compendium under Reserve Requirements) confirmed the current threshold framework and provided for interest to be calculated by reference to the last day of the maintenance period and credited to banks' accounts on a T+2 basis; payments commenced on 26 March 2025 for the maintenance period ending 22 April 2025, applying uniformly to state-owned banks, private banks and foreign bank branches operating under retail banking service licences. The Monetary Policy Committee's subsequent resolution of 3 October 2025 further raised the IOER rate to 8%, and set the IOER in line with the average one-month money market interest rate as a liquidity-withdrawal measure, aimed at containing inflation, stabilising the Myanmar Kyat, and enhancing banks' interest income to support overall banking sector and financial stability.



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