



1<sup>st</sup> Follow-Up Report

# Mutual Evaluation of Myanmar

August 2019





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APG Secretariat  
Locked Bag A3000  
Sydney South  
New South Wales 1232  
AUSTRALIA  
Tel: +61 2 5126 9110

E mail: [mail@apgml.org](mailto:mail@apgml.org)  
Web: [www.apgml.org](http://www.apgml.org)

Cover image: Mandalay Palace



## MYANMAR: 1<sup>ST</sup> ENHANCED EXPEDITED FOLLOW-UP REPORT 2019

### I. INTRODUCTION

1. The mutual evaluation report (MER) of Myanmar was published in October 2018. This follow-up report (FUR) analyses the progress of Myanmar in addressing the technical compliance deficiencies identified in its MER. Technical compliance re-ratings are given where sufficient progress has been demonstrated. Myanmar requested re-ratings of the following Recommendations: 7, 14, 19 and 24 (which were rated NC); and 1, 10, 13, 26, 36 and 37 (which were rated PC). This report also analyses technical compliance with those FATF Recommendations which have changed since the MER was adopted: 2, 7, 18 and 21.

2. The FUR process does not analyse progress made to improve effectiveness. Progress on improving effectiveness will be analysed as part of a later follow-up assessment and, if found to be sufficient, may result in re-ratings of Immediate Outcomes at that time.

3. The assessment of Myanmar's request for technical compliance re-ratings and the preparation of this report was undertaken by the following experts:

- *Allan Prochazka, Canada*
- *Asraf Hafizi Mohd, Manager, Financial Intelligence and Enforcement Department, Bank Negara Malaysia*
- *Young Lee, Senior Policy Advisor, U.S. Department of the Treasury*
- *Leigh Hunter, Federal Agent, Support Capability, Australian Federal Police*
- *David Shannon and Marnie Campbell, APG Secretariat*

4. Section III of this report summarises the progress made to improve technical compliance. Section IV contains the conclusion and a table illustrating Myanmar's current technical compliance ratings.

### II. FINDINGS OF THE MUTUAL EVALUATION REPORT

5. The MER rated<sup>1</sup> Myanmar as follows:

R 1	R 2	R 3	R 4	R 5	R 6	R 7	R 8	R 9	R 10
PC	LC	C	LC	LC	LC	NC	PC	C	PC
R 11	R 12	R 13	R 14	R 15	R 16	R 17	R 18	R 19	R 20
C	PC	PC	NC	LC	LC	C	C	NC	C
R 21	R 22	R 23	R 24	R 25	R 26	R 27	R 28	R 29	R 30

<sup>1</sup> There are four possible levels of technical compliance: compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC).

LC	PC	PC	NC	NC	PC	C	NC	PC	LC
R 31	R 32	R 33	R 34	R 35	R 36	R 37	R 38	R 39	R 40
LC	PC	LC							

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

6. Given these results, Myanmar was placed on enhanced (expedited) follow-up.

### III. TECHNICAL COMPLIANCE RECOMMENDATIONS REVIEWED

7. This section summarises the progress made by Myanmar to improve its technical compliance by:

- a) addressing the technical compliance deficiencies identified in the MER, and
- b) implementing new requirements where the FATF Recommendations have changed since the MER was adopted.

#### 3.1. Progress to address technical compliance deficiencies identified in the MER

8. Myanmar requested re-ratings of the following Recommendations: 7, 14, 19 and 24 (which were rated NC); and 1, 10, 13, 26, 36 and 37 (which were rated PC).

9. The APG welcomes the steps that Myanmar has taken to improve its technical compliance with 1, 7, 10, 13, 14, 19, 24, 26, 36 and 37. As a result of this progress, Myanmar has been re-rated on Recommendations 1 and 19. However, insufficient progress has been made to justify a re-rating of 7, 10, 13, 14, 24, 26, 36 and 37.

#### *Recommendation 1 [R.1] (Originally rated PC)*

10. Myanmar was rated PC for R.1 in its 2018 MER. The main deficiencies were that Myanmar had not completed assessments to identify and assess ML risks, had not applied an RBA to allocating resources in line with the risks identified, had not used the risk assessments to guide AML/CFT measures over high and low risk scenarios, and only banks had implemented risk assessments.

11. Since the 2018 MER, Myanmar has completed its first NRA, which was in draft form at the time of the ME. The Myanmar Cabinet approved the NRA in July 2018. The NRA focusses primarily on deficiencies within the infrastructure of Myanmar’s Government bodies but is still lacking in identifying specific risks which can be mitigated through a risk based approach. Myanmar has shown that the Central Committee for Drug Abuse Control has been collecting statistical information on illicit crop cultivation. Although a top crime for generating domestic POC, drugs were not identified as one of the top three ML risks in the NRA. An executive summary of the longer NRA was published on the FIU website. No further information was provided by Myanmar regarding the conduct of additional assessments or updates to existing risk assessments since the MER.

12. Myanmar has drafted a comprehensive AML/CFT Strategy, based on the findings of the NRA and the 2018 MER. Priority areas of the strategy include “To strengthen & develop legal framework, directives and policies on AML, CT and CFT, in line with international standards and taking into account Myanmar’s risk and context.”

13. Myanmar has demonstrated some progress in reforms related to high risk crime types identified in the NRA. Two of the three top risks identified by the NRA were tax and excise evasion,

and corruption. The anti-corruption law was amended in 2018 and a notification was issued concerning the need for businesses to establish a strong code of ethics to prevent corruption. The notification included measures such as undertaking risk assessments and reviewing anti-corruption prevention measures regularly. Myanmar is currently drafting a new tax regulation law and a new income tax regulation law, and has amended the customs law.

14. Myanmar's NRA and Executive Report have been formally approved by Cabinet. There is positive evidence of Myanmar applying a Risk Based Approach to mitigate ML/TF.

15. **Myanmar is re-rated to largely compliant with R.1.**

*Recommendation 7 [R.7] (Originally rated NC)*

16. Myanmar was rated NC for R.7 in its 2018 MER. Myanmar had a number of shortcomings in relation to R.7. There was no clear legal basis under the CT Law to implement TFS against WMD proliferation. In addition, freeze order 1/2007 only applies UNSCR 2270 and successor Resolutions and the obligation to freeze does not extend to all natural and legal persons in Myanmar. There are a number of gaps in the scope of funds and other assets ordered frozen. There are no mechanisms to communicate designations to ROs or any clearly applicable provisions for sanctioning non-compliance. There are no provisions related to unfreezing, access to funds, and delisting requests.

17. Myanmar has not reported any progress made in relation to the CT law providing a clear legal basis for issuing freeze orders in relation to PF, or in relation to clearly applicable provisions for sanctioning non-compliance with the obligations, or adding provisions related to unfreezing, access to funds, and delisting requests.

18. As described in the MER, the freeze order contained in Order 1/2017 does not apply in respect of UNSCR 2231, nor does it apply in respect of UNSCR 1718 and its successor resolutions issued prior to UNSCR 2270, significantly limiting its scope of application. On June 26, 2018, the CCCT issued a new Order 1/2018 in order to comply with UNSCR 2270 and successor resolutions and to extend the freeze order to all natural and legal persons in the country. Order 1/2018 does not address the gaps identified in the MER concerning the limited applicability of the freeze order in Order 1/2017. Additionally, none of the new requirements address the gaps identified in the MER concerning the scope of funds and other assets that have been ordered frozen.

19. An Order from the Office of the President directs relevant Union Ministries, Governments of States and Regions to comply with UNSCRs 2375 and 2397, but it does not impose any obligations beyond the two UNSCRs nor does it impose obligations on any other natural or legal persons in Myanmar.

20. In November 2017, in criterion 7.4 (c) and 7.5 (a) the UNSCR reference changed from 1737 to 2231 and in criterion 7.5 (b) UNSCR 2231 was added. Myanmar has not reported any action taken in relation to these criteria. Order 1/2017 does not apply in respect of UNSCR 2231 and, as such, provisions related to unfreezing, access to funds and delisting requests are absent. Order 1/2017 does not apply to freezing actions taken pursuant to UNSCR 1737 and continued by UNSCR 2231, or taken pursuant to UNSCR 2231.

21. While Order 1/2018 and the Order from the Office of the President demonstrate Myanmar's ongoing commitment to address the significant PF risks in the region, they do not address any of the major shortcomings in Myanmar's regime to implement TFS related to WMD proliferation. Namely, there is no clear legal basis in the CT Law for comprehensive freeze orders to be issued to implement TFS against WMD proliferation, the freeze order 1/2017 only applies in respect to UNSCR 2270 and

successor Resolutions, the obligation to freeze does not extend to all natural and legal persons in Myanmar, and there are a number of gaps in the scope of funds and other assets ordered frozen.

22. The review team welcomes the commitment and steps taken towards a TFS system to combat proliferation of WMD. However, **Myanmar remains rated at non-compliant with R.7.**

*Recommendation 10 [R.10] (Originally rated PC)*

23. Myanmar was rated PC for R.10 in its 2018 MER. There are a number of gaps in coverage in relation to R.10 including no clear prohibitions on anonymous accounts for securities, microfinance and insurance businesses. The threshold amount for CDD on occasional customers is above the standard. In addition, CDD requiring identification of customer and verification of identity does not explicitly cover customers who are legal arrangements. The AML Law does not require identification of natural persons who own or control a customer or require ROs to understand the nature of the customer's business. There is no provision to permit CDD to cease in cases where an STR is filed to avoid tipping off.

24. The review team notes the work in progress to amend the AML Law and the CDD directive. However, at this stage, there have been no changes made to relevant laws and regulation referred to during the ME. The conclusion on this criterion remains unchanged.

25. **Myanmar remains rated partially compliant with R.10.**

*Recommendation 13 [R.13] (Originally rated PC)*

26. In its 2018 MER, Myanmar was rated PC for Recommendation 13. The MER found that there were no specific controls on payable through accounts. Also there was no express requirement for FIs to satisfy themselves that their respondents have performed CDD obligations on customers with direct access to the accounts, nor to provide relevant CDD information upon request.

27. The review team welcomes Myanmar's work to amend the CDD Directive. However, as the changes were not in place by the cut-off date the gaps are not addressed.

28. Myanmar did not report any changes in the legal or regulatory framework relevant to this recommendation as of the cut-off date for the follow up report. As such there is no basis for re-rating.

29. **Myanmar remains rated partially compliant for R.13.**

*Recommendation 14 [R.14] (Originally rated NC)*

30. The 2018 MER rated Myanmar NC for Recommendation 14. Deficiencies noted in the MER included the lack of action taken to identify persons that carry out MVTS without permission. Because there was no information about scope and scale of hundi, the team was unable to determine whether proportionate and dissuasive sanctions have been applied. In addition, it was not mandated that CBM undertake supervision of MVTS. Furthermore, there was no requirement for international MVTS providers partnering with banks in Myanmar, or for those banks, to provide information on its agents to CBM.

31. Myanmar advised that it had requested technical assistance to amend the Foreign Exchange Management Law (FEML), to take other action to identify unlicensed MVTS providers, and to institute a new framework to regulate and monitor/supervise all MVTS operation in Myanmar. However, Myanmar has not demonstrated further action taken to identify and apply sanctions to

unlicensed providers, and the changes to the FEML have not yet come into force. There has been no further progress in addressing the gaps identified in R.14.

32. The Review Team welcomes the efforts to amend the regulatory framework relating to MVTS providers. However, as of the cut-off date for this review the changes had not been made. As such there is no basis for re-rating.

33. **Myanmar remains rated at non-compliant with R.14.**

*Recommendation 19 [R.19] (Originally rated NC)*

34. The 2018 MER rated Myanmar NC for Recommendation 19. The factors underlying this rating were no obligation on FIs to apply EDD or countermeasures proportionate to the risk in relation to countries for which this is specifically called for by the FATF. There was no clear indication what countermeasures could be included in FIU directives as no directives had been issued. No countries were identified as high-risk under Myanmar's CDD Directive and no guidance had been provided to ROs at the time of the on-site.

35. The Myanmar FIU issued a Directive on February 1, 2018 requiring all ROs to apply enhanced due diligence measures where this is called for by the FATF. Article 3 of the Directive describes that the purpose of the Directive is to take measures against jurisdictions in accordance with Recommendation 19. It further summarizes the various criteria in Recommendation 19 that jurisdictions are assessed against.

36. Article 4 of the Directive instructs all ROs to apply enhanced due diligence measures pursuant to the AML Law and Rules when undertaking business relationships and transactions with natural and legal persons, including financial institutions where this is called for by the FATF. However, there is no requirement that these EDD measures be applied proportionate to the risks and the FIU has not provided any guidance that would assist ROs in applying enhanced due diligence measures in a manner proportionate to the risks.

37. All ROs are required to comply with Directives issued by the FIU pursuant to the AML Law.

38. It remains unclear what other countermeasures may be included in FIU directives as the FIU Directive only requires ROs to apply enhanced CDD measures pursuant to the AML Law and Rules. There are no enabling provisions in law or other FIU directives issued that would indicate Myanmar is able to apply any other countermeasures described in INR19 when called upon to do so by the FATF.

39. The FIU Directive was issued in February 2018 and informs ROs that the FATF issues a list of "High Risk and non-cooperative jurisdictions" three times per year and provides a link to the FATF homepage. No subsequent directives or advisories have been issued by the FIU since that time informing ROs of changes to the FATF lists nor have ROs been instructed to monitor the FATF website for changes to the lists. It is also unclear what actions ROs are expected to take if a jurisdiction is moved between the FATF lists or once a jurisdiction is removed from FATF monitoring.

40. The FIU Directive requires that all ROs apply enhanced customer due diligence measures where this is specifically called for by the FATF, but there is no requirement that these measures be proportionate to the risks. While the enhanced CDD measures that must be applied in relation to high risk jurisdictions are broadly in line with the FATF Recommendations, it remains unclear whether there is scope for Myanmar to apply any other countermeasures contemplated under Recommendation 19. No other measures have been taken since February 2018 to ensure that ROs are advised of

concerns about weaknesses in the AML/CFT systems of other countries, including in relation to changes to the FATF lists since that time.

41. **Myanmar is re-rated to partially compliant for R.19.**

*Recommendation 24 [R.24] (Originally rated NC)*

42. Myanmar was rated NC for R.24 in its 2018 MER. Shortcomings included the Myanmar authorities not having identified a provision of law or regulation requiring a resident authorised person to be accountable to competent authorities for providing all basic information and available beneficial ownership information, and giving further assistance to the authorities. Bearer shares were permitted with no legal obligations to mitigate this vulnerability. There are no legal obligations that mitigate risks of nominee shareholders or directors. Myanmar has not identified other means of providing rapid international cooperation in relation to basic and beneficial ownership information. There is no authority responsible for monitoring the quality of assistance received from other countries in response to requests for basic and beneficial ownership information or requests for assistance in locating beneficial owners residing abroad.

43. Section 25(f) of the Myanmar Investment Law appears to give the Myanmar Investment Commission the general authority to “ask ... the investor to submit documents or evidences relating to its investment.” Provisions of the Myanmar Investment Rules also appear to give the Investment Monitoring Division authority to assist other government departments and organizations to collect information on investors. Section 196 of the rules does oblige those investors who obtain a permit or tax exemptions to provide on an annual basis, among other things, whether there have been any changes in investors, shareholders, or beneficiaries. Thus, there is a general accountability mechanism in place for those legal entities that are subject to the Myanmar Investment Law and associated rules. There is also a general accountability mechanism in place for microfinance businesses and insurance companies.

44. The new Myanmar Companies Law, now in effect, prohibits the further issuance of share warrants, and provides a legal framework for the phase-out of bearer shares issued prior to enactment of the law.

45. There are still no legal obligations to mitigate risks of nominee shareholders or directors.

46. Myanmar has made further improvements to online access of basic and beneficial ownership information. However, these improvements do not fully close the gap with respect to other mechanisms for rapid international cooperation.

47. There is no authority responsible for monitoring the quality of assistance received from other countries in response to requests for basic and beneficial ownership information or requests for assistance in locating beneficial owners residing abroad.

48. Although Myanmar has made admirable progress in addressing some of the gaps identified in the MER, significant gaps with respect to beneficial ownership transparency remain, which weigh heavily in the overall weighting of the criteria.

49. **Myanmar remains non-compliant with R.24.**

*Recommendation 26 [R.26] (Originally rated PC)*

50. In its 2018 MER, Myanmar was rated PC for R.26. Deficiencies were, consolidated group supervision on AML/CFT does not occur, supervision of core principles institutions is not yet

conducted in line with core principles, and CBM supervision of non-bank money changers, NBFIs and mobile financial services is limited to compliance with prudential regulations. There is also a lack of measures to apply risk-based supervisory and monitoring measures in ensuring institutions' compliance to AML/CFT requirements. CBM reports that it is drafting additional AML/CFT regulations for NBFIs.

51. Myanmar has advised that CBM has started to initiate specific AML/CFT supervision using the risk-based approach. CBM has commenced the preparation of a risk-based supervisory framework.

52. There has been no evidence of any progress in addressing the deficiencies noted for R.26.

53. **Myanmar remains partially compliant with R.26.**

#### *Recommendation 36 [R.36] (Originally rated PC)*

54. Myanmar was rated PC for R.36 in its 2018 MER. Shortcomings included: domestic laws have shortcomings and do not fully implement key articles in respective conventions, there is no simplified process such as the backing of warrants and there is no legal obligation to prosecute without delay in lieu of extradition; domestic laws do not enable LEAs to carry out undercover operations, intercepting communications and controlled delivery.

55. Myanmar has advised of some changes in legislation; however with the exception of the amended Narcotic Drugs and Psychotropic Substances Law and Anti-Corruption Law, these are still in draft and have not been provided. No changes that would go toward a rating upgrade have been provided.

56. The material provided by Myanmar in support of an upgrade was in existence at the time of the MER On-Site and was considered by the assessor at the time. Recommendation 36 cross references many other FATF recommendations, which remain at an NC or PC level. Therefore the rating should remain unchanged.

57. **Myanmar remains partially compliant with R. 36.**

#### *Recommendation 37 [R.37] (Originally rated PC)*

58. In its 2018 MER, Myanmar was rated PC for R.37. The MER noted the following deficiencies: legislation does not specify a need for a case management system to monitor progress of requests; dual criminality is a requirement in all MLA matters; domestic laws do not provide a basis for undercover operations, intercepting communications, accessing computer systems and controlled delivery. Myanmar has not reported any progress made in relation to this Recommendation.

59. The information provided by Myanmar reflects the situation in the jurisdiction at the time of the MER. No new actions or progress has been reported that would warrant a change in the MER rating.

60. **Myanmar remains partially compliant with R.37.**

### **3.2. Progress on Recommendations which have changed since adoption of the MER**

61. Since the adoption of Myanmar's MER, Recommendations 2, 7, 18 and 21 have been amended. This section considers Myanmar's compliance with the new requirements (other than Recommendation 7, which is assessed above).

*Recommendation 2 [R.2] (Originally rated [LC])*

62. In October 2018 an amendment was made to the FATF standards which required countries to ensure that data protection and privacy rules were compatible between relevant coordinating and cooperating agencies. There was also an amendment to c.2.3 to add the requirement to exchange information domestically.

63. In Myanmar's 2018 MER it was rated LC for Recommendation 2. The deficiency identified was a lack of national AML/CFT policies informed by the risks identified in the NRA. Myanmar has not yet addressed this deficiency.

64. No evidence of legislative instruments governing data protection or privacy rules has been provided. However, Myanmar has good mechanisms for domestic authorities to cooperate and share information for AML/CFT purposes and there do not appear to be data protection and privacy obligations which impede this.

65. The lack of infrastructure within Myanmar sees most records kept in paper form and therefore issues of compatibility are likely to be low. During the MER On-site Myanmar demonstrated a good level of coordination and cooperation between relevant authorities. Overall there do not appear to be data protection or privacy obligations on competent authorities, FIs or DNFBPs that impede the AML/CFT requirements.

66. **Myanmar remains largely compliant with R.2.**

*Recommendation 18 [R.18] (Originally rated C)*

67. In November 2017 the INR.18 was revised to clarify the requirements on sharing information relating to unusual or suspicious transactions within financial groups. In February 2018, R.18 was revised to reflect the changes in INR.18.

68. Myanmar was rated C for R.18 in its 2018 MER.

69. Section 28(d) of Myanmar's AML Law articulates a general requirement that reporting organizations have, on a group-wide basis, information sharing procedures for the purposes of carrying out CDD measures and managing ML/TF risks, including provisions to safeguard the information. It does not, however, specify requirements to share customer, account, and transaction information related to the identification of unusual transactions from branches and subsidiaries to the head office. Nor does the requirement to safeguard the information specify that this should include provisions to prevent tipping-off.

70. Myanmar indicated that as of May 2019, the CBM has drafted an instruction to Banks and NBFIs under Section 69 (c) of AML Law on information sharing procedures within a financial group for the purpose of CDD measures and ML/TF risk management described in the Section 28 (d) of AML law including sharing suspicious activity of customer, account, and transaction information from branches and subsidiaries to the Headquarters with adequate safeguards on confidentiality including safeguards to prevent tipping-off. Myanmar indicated that it would shortly issue those instructions.

71. The general obligations in the AML Law regarding group-wide information sharing are not sufficiently specific to account for the changes to Recommendation 18.

72. **Myanmar is re-rated to largely compliant with R.18.**

### *Recommendation 21 [R.21] (Originally rated LC)*

73. Myanmar was rated LC for R.21 in its 2018 MER. It was not clear that the obligation on confidentiality extends beyond the termination of employment with an RO. There have been no changes made to relevant laws and regulation considered during the ME.

74. In November 2017, R.21 (c.21.2) was revised to clarify that the tipping off provision is not intended to inhibit information sharing for R.18. Article 50 of CDD Directive exempts the prohibition of tipping-off when the information related to STRs shared among directors and employees of the bank or financial institution, in addition to legal counsel. This provision is adequate with the intention not to inhibit information sharing, even though there are gaps in terms of the scope of sharing and safeguard as discussed in Recommendation 18.

75. Nevertheless, as the CDD Directive only enforceable to bank and FIs supervised by CBM, this provision does not apply to other reporting organisations including the securities, micro finance and insurance. This gap was weighted in the MER.

76. The relevant laws and regulation have not been amended to address the gap identified on the confidentiality obligation beyond termination of employment. The CDD directive satisfy the recent amendment to the Recommendation 21, however, this provision only applicable to banks and FIs regulated by CBM.

77. **Myanmar remains largely compliant with R.21.**

### **3.3. Brief overview of progress on other recommendations rated NC/PC**

78. Recommendations for which Myanmar was rated NC/PC in its 2019 MER, and is not seeking an upgrade are R.25 and 28 (NC) and R.8, 12, 22, 23, 29, 32, 33, 35, 38 and 39 (PC).

79. Myanmar reports some progress on R.8, 28, 29, 33 and 34, as below.

80. In relation to R.8, Myanmar has issued Directive (1/2017) to associations, which requires that local associations submit annual reports and audit statements to their Registration Board. Local associations are able to receive aid, collect funds and open bank accounts, and are to take due diligence to avoid abuse for ML/TF. Myanmar has also issued Order 4/2017, guidance on preventing the abuse of NPOs for ML/TF. This order defines NPOs in line with the FATF definition and requires the General Administration Department to carry out AML/CFT measures on NPOs including a review of laws and regulations, outreach and supervision of NPOs, record keeping requirements and verifying beneficiaries of funds.

81. In terms of R.28, MPF is in the process of drafting the Gambling Act, which will designate a competent authority to license casinos.

82. For R.29, donors have provided MFIU with computer equipment and analysis software, and FIU staff are currently being trained in use of this software. A technical assistant has also been provided to MFIU to develop MFIU core functions and a three year plan. MFIU reports that it is conducting strategic analysis and will issue a strategic analysis report. Under Myanmar's AML/CFT national strategy, formal channels of cooperation will be assigned between MFIU and LEAs to improve effectiveness.

83. In relation to R.33 MPF and MFIU have established/created a case management and intelligence system to better collect and maintain data and statistics. For R.34, the MER identified that

key areas of risk mitigation lacked detailed guidance and feedback. MFIU reports that it has issued Order (1/2017) guidance note for implementation of AML/CFT Legal Provisions for DNFBPs.

#### IV. CONCLUSION

84. Myanmar has made some progress in addressing the technical compliance deficiencies identified in its MER and has been re-rated on two Recommendations.

85. Recommendation 1 has been re-rated to LC and Recommendation 19 has been re-rated to PC. Insufficient progress has been made on R.7, 10, 13, 14, 24, 26, 36 and 37 to justify re-rating at this time.

86. With respect to the recommendations amended after the adoption of Myanmar’s MER, Myanmar has retained the ratings given in the MER for Recommendations 2 and 21. However, as a result of amendments made to requirements for group-wide information sharing in Recommendation 18 Myanmar has reduced its level of compliance with R.18 and has been re-rated to LC.

87. In light of the progress made by Myanmar since its MER was adopted, the review team assesses Myanmar’s technical compliance with the FATF Recommendations as follows as of the reporting date (January 2019):

R 1	R 2	R 3	R 4	R 5	R 6	R 7	R 8	R 9	R 10
<b>LC</b>	LC	C	LC	LC	LC	NC	PC	C	PC
R 11	R 12	R 13	R 14	R 15	R 16	R 17	R 18	R 19	R 20
C	PC	PC	NC	LC	LC	C	<b>LC</b>	<b>PC</b>	C
R 21	R 22	R 23	R 24	R 25	R 26	R 27	R 28	R 29	R 30
LC	PC	PC	NC	NC	PC	C	NC	PC	LC
R 31	R 32	R 33	R 34	R 35	R 36	R 37	R 38	R 39	R 40
LC	PC	PC	LC						

88. The Myanmar FUR was adopted by the APG Governance Committee on behalf of the membership in July 2019. Myanmar will remain on enhanced (expedited) follow-up, and will continue to report back to the APG on progress to strengthen its implementation of AML/CFT measures.