

The Government of the Republic of the Union of Myanmar  
Ministry of Investment and Foreign Economic Relations  
Directorate of Investment and Company Administration  
Directive No. ( 17 /2019)

4<sup>th</sup> Waning of Tazaungmon, 1381 ME  
15<sup>th</sup> November, 2019

**Directive on Disclosure of Beneficial Ownership Information**

1. In exercising the power set out in the Section 69 (c) of the Anti-Money Laundering Law (Pyi Htaung Su Hluttaw Law No. 11/2014) and the Presidential Notification No. 104/ 2019, the Directorate of Investment and Company Administration (DICA) issues the directive on disclosure of beneficial ownership Information.

**Objective**

2. This directive aims to enhance the transparency and accountability of beneficial ownership of legal person or legal arrangement and also to deter tax evasion, money laundering and terrorist financing.

**Definition**

3. The following terms contained in this directive shall have the meanings given hereunder:

- (a) **Beneficial ownership** means the natural person(s) who ultimately owns or controls a customer and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement.
- (b) **Legal persons** mean any entities other than natural persons that can establish a permanent customer relationship with a financial institution or otherwise own property. In this expression, companies, corporations, joint ventures, body corporate, foundations, partnerships, or associations and other relevantly similar entities are also included.
- (c) **Legal arrangements** refer to express trusts or other similar legal arrangements.

- (d) **Beneficial Owner** would be any individual who –
- (i) hold, directly or indirectly, more than 5% of the shares and/or voting rights;
  - (ii) have the right, directly or indirectly, to appoint and remove the majority of the board; or
  - (iii) have the right to exercise, or actually exercises, significant influence or control over the public or private company or corporate entity.
- (e) **Politically Exposed Persons** means:
- (i) Foreign PEPs are individuals who are or have been entrusted with prominent public functions by a foreign country, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials.
  - (ii) Domestic PEPs are individuals who are or have been entrusted domestically with prominent public functions, for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials.
  - (iii) Persons who are or have been entrusted with a prominent function by an international organization refers to members of senior management, i.e. directors, deputy directors and members of the board or equivalent functions.
- (f) **Designated Non-Financial Business and Professions (DNFBPs)** include the following:–
- (i) Company service providers which, as a business, provide any of the following services to third parties:
    - (a) acting as formation agent of legal organizations;

- (b) acting as a director or secretary of a company, a partner of a partnership, or as a person in a similar position in other legal person or arrangement and
  - (c) providing a registered office or accommodation or business address or correspondence or administrative address for a company, a partnership or any other legal person or arrangement;
- (ii) Persons, including lawyers and accountants, who provide any of the following services:
- (a) organization of contributions for the creation, operation or management of companies; and
  - (b) creation, operation or management of legal persons or arrangements;

#### **Abiding Person**

4. All legal person or legal arrangement incorporated within the Republic of the Union of Myanmar must comply with this directive.

#### **Reporting Requirements**

5. All legal persons and legal arrangements are required to obtain and hold up-to date information on their beneficial ownership and submit it in a timely manner to DICA and the Internal Revenue Department.

6. All legal person and legal arrangement are also required to co-operate with competent authorities to the fullest extent possible in determining the beneficial owner, by:

- (a) authorizing one or more natural persons resident in the country, accountable to DICA, for providing all basic information and available beneficial ownership information, and giving further assistance to the authorities; and/or

(b) authorizing a DNFBP in Myanmar, accountable to DICA, for providing all basic information and available beneficial ownership information, and giving further assistance to the authorities.

7. All legal person and legal arrangement are required to submit their beneficial ownership information using the online form which will be available on the DICA website.

### **Record Keeping**

8. All legal person and legal arrangement are required to maintain the information and records referred to for at least five years after the date on which the company is dissolved or otherwise ceases to exist, or five years after the date on which the company ceases to be a customer of the professional intermediary or the financial institution.

### **Protection of Beneficial ownership information**

9. Individuals who may be at risk of violence or intimidation as a result of being on the register can apply to the DICA to have their information protected. Basic information will be available publicly, and beneficial ownership information will be available to competent authorities.

### **Non-Compliance of the Directive**

10. Any legal person or legal arrangement that fails to provide accurate and up-to-date information and fails to comply with this directive, successor regulations and directives shall be punishable in line with Chapter (XI) of the Anti-Money Laundering Law.

**Effectiveness**

11. This directive shall come into force on 1<sup>st</sup> January 2020.

Thant Sin Lwin  
Director General

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Date: 15<sup>th</sup> November, 2019

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