

**The Republic of the Union of Myanmar**  
**Central Committee for Counter Terrorism**

**Order No. (1/2018)**

**The 3<sup>rd</sup> Waning of Second Waso, 1380, M.E, Nay Pyi Taw**

**(30<sup>th</sup> July 2018)**

**Directive on conducting financial transactions to comply with United Nations Security Council's Resolution-UNSCR 2270 (2016) and successor resolutions**

1. In accordance with the United Nations Security Council Resolution-UNSCR 2270 (2016) and successor resolutions to impose enhanced sanction measures against the Democratic People's Republic of Korea, all the United Nations Member States including Myanmar shall conduct financial transactions as follows:

- (a) pursuant to the United Nations Security Council Resolution-UNSCR 1540 (2004) and successor resolutions, all the United Nations Member States have an obligation to prevent the proliferation of weapons of mass destruction, and are obliged to impose financial sanctions in order to combat the financing of proliferation of weapons of mass destruction from any designated individuals and entities designated under UNSCR 1718 (2006);
- (b) to prohibit the trade of weapons and related materials, the import and export of small arms and light weapons (weapons of mass destruction and related materials of the Democratic People's Republic of Korea);
- (c) to inspect all cargoes within or transiting through its territory, that has originated in the DPRK, or that is destined for the DPRK;
- (d) to include sanctions on the trade in natural resources in implementing these sanctions;
- (e) to freeze the assets of persons from the states which have an agreement to cooperate with the Government or political parties of the DPRK in the DPRK's nuclear and ballistic missile program or prohibited activities;

- (f) to prohibit the opening and operation of new branches, subsidiaries, and representative offices of DPRK banks; and to make further prohibition against financial institutions from establishing new joint ventures with and from taking an ownership interest in DPRK banks;
- (g) to close the existing branches, subsidiaries and representative offices of DPPK banks within ninety days from the adoption of this resolution; (Financial action shall be taken strictly. Low risk result of the assessment shall not be used as a reason to freeze the assets.)
- (h) to declare, without delay, the resolutions by reporting entities about UNSCR's sanctions against the DPPK called for the frozen assets of designated individuals and those associated with weapons of mass destruction. This also applies to activities of individuals acting on their behalf or at their direction and their direct or indirect activities;
- (i) to prohibit use of prohibited materials, equipment, goods and technology specified in the resolutions, or the provision of financial services or financial resources or financial assistance related to the manufacture, or sale or transfer of such materials, equipment, goods and technology to the DPRK. Beside these, the travel ban to Myanmar is imposed;
- (j) to give notice the following methods for avoiding detection and sanctions under the sanction measures against persons involving in the proliferation of weapons of mass destruction;
  - (1) making transactions through the financial sector and the international trade to disguise illegal activities, mostly by using front companies; multi-layered intermediaries; conducting complex transactions; the transfer of gold bars; using a private account instead of using a company's account to conceal the source of funds or the true ownership; shell banks; using any shipping route via countries where a control is lax; a bill of lading does not conform to the requirements because of the trading or areas of goods transport or a level of technology of the country; abnormally



low prices of goods; a lack of a clear purpose; a lack of names or other relevant documents in a transfer or a payment order; inconsistency of information contained in the documents such as name, address or destination of goods and business; financial transactions or delivery of goods from the countries having deficiencies in anti-money laundering and the financing of terrorism; using fictitious names or not identifying names in transfer or using the DPRK diplomatic channel.

- (2) conducting financial transactions without identifying the name of vessels by Malaysia, Singapore and Thailand which are financial institutions conducting financial transactions with the DPPK as intermediaries financial institutions when financial transactions have been conducted for the Ocean Maritime Management which has been placed on the designated list in 2014.
- (3) trying to conceal the destination by procuring companies through changing the bill of lading and replacing with a number of cargoes, forging the vessel's name and the International Maritime Organization (IOM) number and transiting across several territories.

2. Therefore, the Central Committee for Counter Terrorism, issues this order by exercising the power conferred under section 6(d) and section 72 of the Counter Terrorism Law.

3. All nationals, individuals and entities within Myanmar including all reporting entities shall, without delay and prior notice, freeze the funds and assets that are wholly or jointly or directly or indirectly owned or controlled by designated entities, business or individuals as specified in article 2 of the UNSCR 2270 (2016) and successor resolutions; the funds and other assets derived or accrued from the funds and other assets directly or indirectly owned or controlled by designated entities or individuals; and the funds and other assets of individuals and entities acting on behalf of, or at the direction of designated individuals or entities.

4. The Central Committee for Counter Terrorism has issued the Order No. 1/2017 on 22<sup>nd</sup> February 2017 and distributed it to all reporting entities to freeze the finance, the assets and funds of individuals and entities designated under the UNSCR 2270 (2016) and successor resolutions related to the combating of the financing of proliferation of weapons of mass destruction.

5. The reporting entities and the relevant departments shall, therefore, carry out the following measures in line with the UNSCRs and international standards related to the combating of the financing of proliferation of weapons of mass destruction:

- (a) monitoring the organizations, businesses and banks of DPRK including its nationals in accordance with the customer due diligence process;
- (b) reporting to the Financial Intelligence Unit (FIU) about all banks which conduct financial transactions with any subsidiary bank of the DPRK ;
- (c) reporting to the Financial Intelligence Unit (FIU) about all Myanmar financial institutions if they have any relationship with the DPRK's financial institutions;
- (d) ensuring that financial institutions and insurance firms refrain from providing financial services to the DPRK's vessels; monitoring accounts and transactions of maritime transport companies or agents not to involve in transactions relating to the DPRK; monitoring strictly on high risk financial transactions; and collecting data from customers as much as possible; (e.g. persons who involved in financial transactions, receivers, imports, permits, sources of funds, beneficiaries and objectives of financial transactions)
- (e) ensuring to seize the funds and assets which are directly or indirectly owned by or linked to individuals or entities designated by the 1718 Sanction Committee of the United Nations Security Council.

6. Reporting organizations that fail to carry out the customer due diligence process related to designated individuals and entities shall be punished in accordance with the provisions of Anti-Money Laundering Law or the Counter Terrorism Law.



7. Any funds or other assets are prevented from being made available by all nationals, individuals and entities within Myanmar including all reporting entities to designated individuals or entities or for the benefit of them without the permission of the Central Committee for Counter Terrorism and without notifying in accordance with the relevant resolutions of the United Nations Security Council.

8. All reporting entities are required to access the sanction list of designated individuals and entities in the United Nations Security Council's website which are issued from time to time by the United Nations Security Council or in the Financial Intelligence Unit's website at [www.mfiu.gov.mm](http://www.mfiu.gov.mm) in timely manner in order to take quick response to the financing of proliferation of weapons of mass destruction and freeze the assets of designated individuals and entities, without delay and prior notice, according to the above directives. All reporting entities shall examine whether the assets of the listed individuals and entities are in their possession when the lists of individuals and entities are declared again, report findings within three working days, freeze the assets without delay, report the frozen assets and report actions taken to the Central Committee for Counter Terrorism.

For Chairman

(Police Lieutenant General Aung Win Oo, Secretary)

Central Committee for Counter Terrorism

Letter No : 2645 (1) / 10-1-3 (a) / G 4

Date : 30<sup>th</sup> July, 2018

**Circulated to;**

Governor, Central Bank of Myanmar (to issue further directive to organizations which are under the supervision of the Central Bank of Myanmar)

Myanmar Investment Commission

Yangon City Development Committee

Mandalay City Development Committee

Nay Pyi Taw City Development Committee  
Customs Department  
Internal Revenue Department  
Department of Agricultural Land Management and Statistics  
Department of Marine Administration  
Road Transport Administration Department  
Department of Human Settlement and Housing Development  
Department of City Development  
Department of Trades  
Directorate of Investment and Company Administration  
Financial Regulatory Department  
Myanmar Insurance  
Department of Mines  
Myanmar Gems Enterprise  
Bar Council  
Myanmar Institute of Certified Public Accountants  
Notary Public  
Myanmar Securities Exchange Centre  
Licensed Money Transfer Services  
Real Estate Agents  
Dealers of Precious Metals and Stones  
Andaman Club Hotel (Thuhtay Island)  
All reporting entities

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