

The Government of the Republic of the Union of Myanmar

Ministry of Finance

Securities and Exchange Commission

Instruction (1/2016)

Securities Account Opening Instruction

29 February, 2016

Under Section 71 (b), Chapter X III of the Securities Exchange Law (Law), the Securities and Exchange Commission of Myanmar (SECM) hereby issues an instruction for securities account opening practice for securities companies.

Securities companies which obtain securities business license provided in section 25 of the Law and provide brokerage service to customers shall develop the following framework regarding securities account opening.

1. Securities companies shall establish an internal policy/document regarding the procedure of opening securities account which follow this instruction and approved by BOD.

2. Securities companies shall be obtaining from a customer an account opening application information which shall include information which can identify the customer. Such information shall include the followings;

(a) Individual: Name, father's name, gender, birthday, NRC number, permanent address, current postal address, bank account number, contact (phone, email) (if customers changes postal address, securities companies should obtain new postal address before transaction)

(b) Company: Company name, foundation year, registration number, address, bank account number, authorized person

3. Securities companies shall obtain supporting documents to verify the information to identify the customer. Such documents shall include the followings.

(a) Individual: Any kinds of NRC (if it is difficult to identify from the photo, other supplementary official documents such as passport or driver's license are required)

(b) Company: Registration certificate, BOD resolution to open the account

4. Securities company shall specify the representative of the account in case of joint account.
5. Foreign nationals or companies are not allowed to open securities accounts regardless of residency until notification has been made by SECM to that effect.
6. Securities company shall confirm if the customer is in a position of using internal information.
7. Securities companies shall confirm that customer already has a bank account.
8. Securities companies shall have a written agreement to act as securities broker according to section 62 of the Securities Exchange Rules (Rules).
9. Securities companies shall collect information to provide fair and good faith service according to Law 19 and Rules 68. Particularly, they shall collect information to provide service based on the level of knowledge and experience, assets, and investment objectives.
10. Securities companies shall examine the customer profile based on their own AML policy.
11. Securities companies shall notify a responsible person or group to handle complaints from customers.

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