



The Republic of the Union of Myanmar  
Ministry of Planning, Finance and Industry  
Securities and Exchange Commission of Myanmar

Instruction No. ( 2 /2020)

Online Securities Account Opening Instruction

8<sup>th</sup> Waxing of Nayon, 1382 ME

(29<sup>th</sup> May, 2020)

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 online securities account opening practice.

1. Securities companies which operate online securities account opening service shall exactly comply in accordance with Instruction (1/2016) issued by commission on 29 February, 2016 and must ensure that the following systems at least and internal controls shall set in place in respect of online securities account opening service-
  - (a) sound and prudent management, administrative and accounting procedures and adequate internal control systems; and
  - (b) internal policies, procedures and accountability structures pertaining to Anti-Money Laundering Law.
2. Securities companies which operate online securities account opening service-
  - (a) shall notify the Securities and Exchange Commission in writing promptly any indications of suspected or confirmed fraud relating to the online securities account opening service;
  - (b) shall maintain accurate and complete records of customers' accounts relating to the online securities account opening service accounts;
  - (c) when collect the necessary information of the customer to open securities account, securities companies shall obtain supporting documents to verify the identity of customer;
  - (d) customers shall fill the information completely which show on application;
  - (e) shall set a written agreement, physically or electronically, with every customers;

- (f) shall develop and adopt the measures to identify, assess, monitor, manage and mitigate the money laundering and terrorist financing risks including the risks associated with new products or technologies in accordance with risk management guideline issued by commission;
  - (g) shall keep up to date the risk assessment and underlying information and be available for the commission to review at its request;
  - (h) shall conduct customer due diligence on beneficial owners, and domestic or foreign politically exposed person or international politically exposed person, and their family members and closed associates and take reasonable measures to verify the identity of such persons in accordance with sub-section(d), section(19),Chapter (8) of the Anti-Money Laundering Law;
  - (i) shall operate online securities account opening to Myanmar citizens only.
3. The Securities and Exchange Commission may occasionally examine the books and records and the online securities account opening systems and databases of the Securities company to ensure compliance of the aforesaid requirements.
4. Securities company which operates online securities account opening service shall be responsible for monitoring and supervising the activities of their clients.



(Maung Maung Win)  
Chairman

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Distribution

Yangon Stock Exchange  
Securities Companies