

Criteria for Offshore Loan

Announcement of procedures to be followed for application for approval from the Central Bank of Myanmar to obtain an offshore loan

1. It is provided in the Foreign Exchange Management Regulation that a resident shall seek the prior approval of the Central Bank of Myanmar whenever such resident borrows money from overseas in any way.
2. Therefore; if the resident wishes to obtain an offshore loan, he shall seek approval by furnishing the following documents through Myanmar Investment Commission or directly to the Central Bank of Myanmar:
 - (a) Application for approval to loan addressing to the Central Bank of Myanmar, Office Building No. (55), Nay Pyi Taw;
 - (b) Corporate Documents

(Certificate of Incorporation, Form VI, Form XXVI, MOA and AOA)
 - (c) If a company has been incorporated, the annual financial statement of the relevant fiscal year and the most recent annual financial statement of the company which have been properly audited by an audit team that is recognized by the Government;
 - (d) Loan Agreement (Draft) including complete information regarding loan (and Repayment Plan and Schedule);
 - (e) Credit Advice that shown the equity has been brought in for the paid-up capital of the company;
 - (f) Other necessary documents;
3. In granting approval by the Central Bank of Myanmar, the following facts are to be taken into consideration:
 - (a) Whether the company has brought in minimum US\$ 500,000 as equity or capital brought-in into Myanmar;
 - (b) Whether the company that obtains an offshore loan is a business that regularly has an income in foreign currency in accordance with the provisions of Foreign Exchange Management Law and Foreign Exchange Management Regulations;
 - (c) Whether the company is able to make full repayment with an income in Myanmar Currency and there are any measures to protect against potential changes in exchange rate in the event that the company does not regularly have an income in foreign currency;

- (d) Whether the minimum 80 % of foreign capital (equity amount) stated in the MIC Permit has been brought in;
- (e) Whether the ratio of debt to equity ranges between 3:1 and 4:1;
- (f) Whether the terms and conditions regarding loan stated in the loan agreement and supporting documents of the company are accurate or not;
- (g) Whether the tenure of repayment stated in the loan agreement occurs within a medium-term period or a long-term period and the repayment schedule is in accordance with the loan agreement;