



The Central Bank of Myanmar (“CBM”) issued Directive No. MaBaBaa/MP/FIR/Bank Si Sit/1(4/2021) with effect from 2 August 2021 titled “Matters regarding foreign workers employment compliance” (“Directive”).

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NEW DIRECTIVE ISSUED BY THE CENTRAL BANK OF MYANMAR ON FOREIGN EMPLOYEES IN BANKS

The Central Bank of Myanmar (“CBM”) issued Directive No. MaBaBaa/MP/FIR/Bank Si Sit/1(4/2021) with effect from 2 August 2021 titled “Matters regarding foreign workers employment compliance” (“Directive”).

Prior approval of CBM for employment of new foreign employees: Banks shall seek and obtain prior approval of CBM at least 30 days before employing a foreigner.

List of documents to be submitted by the banks for this purpose have been set out in this Directive. It includes documents such as the CV of the foreign employee, education and professional history and so on. The banks are required to submit an undertaking letter that the foreign employee has not been involved in money laundering and terrorist financing activities.

“Stay Permit” and “Visa” recommendation of foreign employees shall follow as per

the procedures prescribed by Directive No. MaBaBaa/Bank Si Sit/1(8/2019) of the CBM on 10 April 2019.

Submit information of existing foreign employees: Banks are required to submit information about currently employed foreign employees to the CBM within 30 days from the date of this Directive.

No foreigner as Chairman or Vice-Chairman: Banks are restricted from appointing foreigners to the position of Chairman / Vice-chairman.

Heads of Departments - appointment and tenure: The Directive describes the requirements to appoint a foreigner as the head of a department (“HoD”). It states that the total number of foreign employees appointed as HoD cannot exceed 50% of the total departments of the bank. Furthermore, If an HoD is a foreign employee, then the Deputy HoD shall be a Myanmar citizen.



Foreign headcount restrictions: Restrictions have been imposed on the total number of foreign employees within banks based on the market share of the bank as follows:

Type	Market share	Maximum no. of employees
Large bank	>5%	25
Medium	1% - 5%	15
Small	<1%	8

If the current numbers of foreign employees within the bank exceed over the limits set by the Directive, the bank is required to submit a plan to the CBM to downsize within 30 days starting from the date of this Directive.

Knowledge sharing: The foreign employees need to provide professional training to the local employees. In this regard, the banks are required to develop a training plan for knowledge sharing between the foreign and the local employees.

Restrictions on foreign travel by foreign workers: Foreign employees are required to obtain approval / notify CBM on the depending on the duration of the travel to their home countries for family or business-related matters

Upon their return, they are required to notify CBM via the bank.

Approval of actions by a foreign director of a bank: The Directive also provides for the procedure of coordination with CBM for appointment of foreign members to the board of directors of a bank.

Employment term: The foreign employees are permitted to work up to a period of three years including the probationary period ("**Term**"). At the expiry of the Term, if a bank intends to continue employment of the foreigner, it will need to submit the following documents to the CBM to seek approval for such continuation:

- performance review of the proposed foreign employee by the bank.
- continuing plan of the bank with the employee.

Termination of employment of foreign employees: Banks shall report to CBM in case of violations of the laws by their foreign employees and terminate the employment. The directive further provides for the sanctions in case of non-compliance.

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