3.23 Capital inflows (loans) CBM

Just to report

Equity Investment

Central Bank of Myanmar

Bank loans

Shareholder’ loans

Intercompany loans

Capital

Inflows

From abroad

(Approval not needed)

Approval

The Investor needs to apply for capital flows, especially the offshore loans, to Central Bank of Myanmar by completing the Application Form and a copy of Loan Agreement.

If the application is approved, each drawdown (inward/outward) until the total loan amount which has been approved, interest payment and principal repayment as per the schedule mentioned in the Loan Agreement will not require additional approval from the Central Bank.

Instead, the evidences of bank transfer for each transaction of inward/outward loan transaction, interest payment, and principle repayment shall be submitted to CBM.

The capital flows, especially the offshore loans, require approval of the Central Bank of Myanmar. The capital inflows in terms of equity investment need only to be reported; however, the debt investment or offshore loans (that include bank loans, shareholders' loans and intercompany loans) that will be repaid to abroad in the future require the approval of the Central Bank of Myanmar.

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| **MORE** |

3.23.1 Approval of offshore loan

3.23.2 Report on offshore loan transaction (inward/outward)

3.23.3 Required items to be filled in Proposal Letter of Company

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3.23.1 Approval of offshore loan

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| --- | --- | --- | --- | --- |
| **Documents needed:** | | | | |
|  | 1 | Proposal letter of company | | |
| 2 | Loan Agreement attached with repayment schedule | | |
| 3 | Application Form for Approval of Offshore Loans | | |
| 4 | Documents to prove the amount of equity that has been brought in (e.g. Credit Advice or Bank Statement or Swift Message) | | |
|  |  |  | | |
| **Procedure:** | | | | |
|  | 1 | | The applicant submits Application Form, attached with necessary documents, or online, to Central Bank of Myanmar. | |
| 2 | | CBM examines all the documents submitted. | |
| **Remarks:** | | | | |
|  | 1 | | Application Form for Approval of Offshore Loans can be acquired online. | |
| 2 | | The required items to be filled in Proposal Letter of Company are shown below: | |
|  | | 1 | Purpose of loan |
| 2 | Reasons of needing the offshore loans |
| 3 | Company’s Business Plan |
| 4 | Interest rate |

3.23.2 Report on offshore loan transaction (inward/outward)

|  |  |  |
| --- | --- | --- |
| **Documents needed:** | | |
|  | 1 | Cover letter |
| 2 | Record of (inward/outward) loan transaction (eg Credit Advice or Bank Statement or Swift Message) |
| **Procedure:** | | |
|  | The applicant submits a report with required documents to CBM or online within 2 days from receiving loan amount from abroad. | |

VISIT: <https://www.cbm.gov.mm/content/2066> for Criteria for Offshore Loans

3.23.3Required items to be filled in Proposal Letter of Company

1 Purpose of loan

2 Reasons for needing the Offshore Loans

3 Business Plan of Company

4 Interest rate

**List of forms**

Form CB-1: Application form for Approval of Offshore Loans

Form CB-2: Record of Inward Loan Transactions

Form CB-3: Record of Outward Transactions related to approved Offshore Loan

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END OF PROCEDURE 3.23