



**CENTRAL BANK OF MYANMAR**

**GUIDELINES**

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**CENTRAL SECURITIES DEPOSITORY**

**(CBM-NET CSD)**

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## **1. INTRODUCTION**

### ***1.1 Background***

The Central Bank of Myanmar Financial Network System (CBM-NET) is a computer network that transmits and processes transfer instructions. It links the Central Bank's computer centre, its head office/branches and the system's Participants. The CBM-NET comprises two systems: a real time gross settlement (RTGS) system for funds transfers (the CBM-NET Funds Transfer Service (FTS)) and a system for the custody of Government and Central Bank securities – the CBM-NET central securities depository (CBM-NET CSD). The CBM-NET CSD also provides securities settlement services. These settlements are processed on a Delivery versus Payment (DvP) Model 1 basis, through the linkage between the CBM-NET CSD and the CBM-NET FTS. Transfer instructions for both securities and funds are settled with finality on a trade-by-trade basis and neither leg of the transaction can be executed until both counterparties have sufficient funds and securities respectively. Securities transactions may also be processed in the CSD on a free of payment (FOP) basis, that is, the delivery/movement of securities without a corresponding transfer of funds.

### ***1.2 Documentation***

#### **1.2.1 Purpose of the Document**

This document is called the CBM-NET CSD Guidelines. Its purpose is to clearly and unambiguously define the rules governing the operation of the CBM-NET CSD, and the interactions both between Participants and between Participants and the CSD. Reference to the Central Bank (the Bank or the CBM) herein, unless the context indicates otherwise relates to its role as Operator of the CSD.

#### **1.2.2 Adoption of Guidelines**

The Guidelines have been adopted by the CBM and each Participant which has agreed to be bound by these Guidelines pursuant to the Participant Agreement.

#### **1.2.3 Contents of the Guidelines**

The Guidelines include substantive provisions relating to, inter alia, the following:

- i) The legal relationships between the CBM and each Participant and between Participants;
- ii) The qualifications and standards for participation;
- iii) The process and criteria for the admission, suspension and termination of Participants;
- iv) A description of the nature of the Services offered by the CSD;
- v) The legal obligations and rights of the CBM and Participants arising from the use of the CSD, including any indemnity;
- vi) The legal obligations and rights of the CBM and Participants relating to the clearing and settlement of Transactions;
- vii) The process for adopting and amending the Guidelines; and
- viii) The legal obligations and rights of the CBM and Participants relating to the governance of the CSD, confidentiality and use of information.

#### **1.2.4 Related Documents**

In addition to the mandatory provisions set out above, the Guidelines may include any other provisions that the CBM determines to be necessary or advisable. The CBM-NET Business Manual contains detailed instructions for using the Services, and provides operational and technical information that assists in the implementation of the Guidelines. These Guidelines should therefore be read in conjunction with the following documents:

- CBM-NET Business/User Manual provided by the system developer
- CBM-NET FTS Guidelines

### **1.3. Interpretation**

#### **1.3.1 Priorities**

If a provision of these Guidelines is inconsistent with the *Agreement for Participating in the CBM-NET CSD* (Annex 2), the Agreement shall prevail. Where any inconsistency arises between these Guidelines and the documentation/materials that guide the operation of the CSD, these Guidelines shall prevail.

#### **1.3.2 Language and Organization**

In these Guidelines:

- a) Words importing one gender include the other gender.
- b) The plural includes the singular and vice versa.
- c) References in the Guidelines to "includes" or "including" shall mean "includes, without limitation," and "including, without limitation," respectively.
- d) A reference to a specific time of day means that time in Myanmar, unless the context dictates otherwise.
- e) A reference to any legislation includes any statutory regulations, Guidelines, orders or instruments made or issued pursuant to that legislation and any amendment to, re-enactment of, or replacement of that legislation.
- f) The division of the Guidelines into paragraphs (sections and subsections), and the insertion of headings for the Guidelines, are for convenience of reference only and shall not affect the construction or interpretation of the Guidelines.

### 1.3.3 Definition

In these Guidelines unless the context requires otherwise, the following terms shall have the meaning attaching thereto:

Term	Definition
<b>Account</b>	Cash Account or a Security Account
<b>Administrator</b>	An individual appointed by a Participant to give individual Users the ability to access the processing facilities within the CBM-NET CSD on behalf of the Participant.
<b>Authentication Mechanism</b>	Confidential verification/validation information for individuals and for systems (including log-on identifications, addresses, passwords and personal identification numbers) assigned to each Participant.
<b>Authorization</b>	The confirmation by a system or supervisor that a User has the right to perform a pre-defined action.
<b>Authorized Person or Authorized Signatory</b>	An individual notified in the Authorized Signatories Form who is given the authority, pursuant to Section 5.1.1, to perform specified activities on behalf of a Participant.
<b>A bank</b>	A financial institution licensed to operate as a bank by the Central Bank of Myanmar under the Banks and Financial Institutions Law.
<b>Beneficiary</b>	The final recipient of funds or securities credited to a receiving bank's Account as a result of a funds transfer or securities transaction
<b>Business Day or Banking Day</b>	A day, not being a Saturday, Sunday or public holiday on which participant banks and the CBM are open for general banking business in Myanmar and on which the CBM-NET CSD is operating to process securities transactions.
<b>CBM</b>	The Central Bank of Myanmar, the Central Bank or the Bank, licensed under the Central Bank of Myanmar Law (2013).
<b>Central securities Depository or CBM-NET CSD</b>	The facility for recording and holding securities which allows securities transactions (sale, purchase, transfer of securities) to be processed by book entry. The CBM-NET CSD maintains the register of Government of the Republic of Myanmar and Central Bank of Myanmar domestic securities. It also provides securities settlement services.
<b>Collateral</b>	An asset that is delivered by the collateral provider to secure an obligation to the collateral taker. Collateral arrangements may take different legal forms; collateral may be obtained using the method of title transfer or pledge.
<b>Contingency Event</b>	Any event which disrupts normal processing to the extent that contingency procedures are brought into effect. This may or may not include transfer of operations to the backup site and/or running the CBM-NET CSD in stand-alone mode, without communication links to other systems.

<b>Counterparty</b>	Those Participants engaged in a payment or securities transaction.
<b>Court</b>	A Myanmar court of competent jurisdiction.
<b>Customer</b>	Any Person or institution which uses the services of a Participant into whose Account securities are credited.
<b>Delivery versus Payment or DvP</b>	A link between a securities transfer system and a funds transfer system that ensures that delivery of securities occurs if and only if payment occurs and conversely.
<b>Dispute</b>	A dispute or difference between: a) the CBM and a Participant; or b) two or more Participants arising out of, or in any way connected with these Guidelines.
<b>Final Cut-off</b>	The time the CBM-NET closes to all Participants. At final cut-off, no further Payment or securities transfer Instructions can be entered.
<b>Finality</b>	Irrevocable and unconditional settlement such that the transfers or settlements cannot be reversed or recalled by the transferor.
<b>Free of Payment</b>	Delivery of securities with no corresponding payment of funds
<b>GRM</b>	The Union Government of the Republic of the Union of Myanmar.
<b>Intraday Liquidity Facility or ILF</b>	The credit facility provided by the CBM in its sole discretion to CBM-NET FTS Participants during the Business Day to enable them to make payments in real time. The ILF is extended by way of a daylight overdraft and is repayable before the end of the Business Day
<b>Issuer</b>	In relation to any Security, the Person on whose behalf any money paid in consideration of the initial allotment of Security is received
<b>Maturity</b>	The due date for repayment by way of redemption or re-purchase by the Issuer of any Security
<b>Notice</b>	To give Notice is to signal an intention or timeframe to perform or complete an action
<b>Notifiable Event</b>	<p>Any event where the Participant's ability to authorise transactions or have the means to settle transactions may be in doubt. This includes any of the following:</p> <ul style="list-style-type: none"> <li>a) Its making a general assignment for the benefit of, or entering into a reorganisation, arrangement or composition with, its creditors;</li> <li>b) Its admitting in writing its inability to pay its debts as they become due from its own resources;</li> <li>c) The appointment of a receiver/manager under any regulation;</li> <li>d) The occurrence of any event having a substantially similar effect to any of the events specified in a) to c) above under any applicable law.</li> </ul>

<b>Operating Day</b>	Any day in which the CBM is open for the clearing and settlement of transactions between Participants and on which the CBM-NET is operating to process Payment Instructions and securities transfers.
<b>Operating Hours</b>	The hours during which the CBM-NET is in operation and is accessible by Participants.
<b>Operator or System Operator</b>	The department established in the Central Bank of Myanmar to manage the CBM-NET CSD operations.
<b>Participant</b>	A Person whose application pursuant to Section 2.2 to participate in the CBM-NET CSD has been accepted by the CBM and who remains or is reinstated as a Participant pursuant to the Guidelines.
<b>Participant Agreement</b>	The agreement between the CBM and each Participant and between all Participants that is entered into upon the acceptance by the CBM of the application for participation made by each Participant.
<b>Payment Instruction</b>	In respect of a CSD Participant, an instruction received via the network to debit its securities Account and credit the Account of another Participant.
<b>Person</b>	An individual, sole proprietorship, body corporate, partnership, limited partnership, unincorporated organization or association, trust, Government Body, or any other legal or commercial entity.
<b>Pledge</b>	A Trade involving a delivery of securities as collateral subject to a security interest in such securities
<b>Pledge Account</b>	An account in which securities are set aside to allow drawdown under the ILF or for providing collateral for any other purpose .
<b>Public Holiday</b>	A day, other than weekends, when the CBM-NET is not open for business.
<b>Real Time Gross Settlement System or RTGS System</b>	The system owned and operated by the CBM for continuous settlement of funds transfer instructions on a transaction by transaction basis. The RTGS System is seamlessly integrated with the CBM-NET CSD to achieve the settlement of securities transactions on a DvP basis.
<b>Regulatory Body</b>	With reference to any Person, means any board, commission, securities exchange, association or other body, organization or agency, whether governmental, professional, self-regulatory or otherwise, having jurisdiction over that Person or over any part of the business carried on by it.
<b>Repurchase Agreement (repo)</b>	A contract in which the seller of securities sells and simultaneously commits to buy back securities at a later date and the buyer commits to sell the securities back to the seller at the agreed date and at an agreed price. (For the party selling the security (and agreeing to repurchase it in the future) it is a repo; for the party on the other end of the transaction (buying the security and agreeing to sell in the future) it is a reverse repurchase agreement.)

<b>Guidelines or System Guidelines</b>	The CBM-NET CSD Guidelines, as amended from time to time, which govern the operation of the CBM-NET CSD.
<b>Secondary Market</b>	A market where Participants trade existing, i.e. previously issued securities.
<b>Services</b>	Securities settlement, custody or record-keeping services provided by the CBM-NET CSD to Participants.
<b>Settlement</b>	The successful posting for value of debits and credits to the securities Accounts in the CBM-NET CSD and the respective credits and debits to relevant Settlement Accounts in the CBM.
<b>Settlement Account</b>	An Account in the CBM-NET FTS held by the Participant at the Central Bank.
<b>Signing Officer</b>	A Signing Officer is authorized and empowered to act on behalf of the Participant for all purposes.
<b>System Administrator</b>	The person appointed by the CBM to supervise the operation of the CBM-NET CSD.
<b>Trade or Transaction</b>	A transaction which is agreed to by Participants outside the CBM-NET CSD, and which is to be settled through the CBM-NET CSD, and includes the delivery of securities, to effect a sale, purchase, loan, Pledge or other disposition of securities as well as the distribution of entitlements in respect of the securities.
<b>User</b>	An Authorized Signatory who on behalf of a Participant is given the ability (whether by the assignment of an Authentication Mechanism or otherwise) to access computer processing facilities to receive, transmit and/or confirm data and payment instructions.
<b>Value Date</b>	The date on which a Transaction is initiated and financial value is transferred. In CBM-NET, it is the same as the Transaction date.

## **2. PARTICIPATION AND ACCESS**

### **2.1. Admission of Participants**

#### **2.1.1 Application for Participation**

If an applicant is eligible for participation and meets the qualifications and standards for participation set by the CBM in accordance with these Guidelines, it may apply to become a Participant by signing and delivering to the CBM an application for participation in the form made available by the CBM. Upon acceptance of the application, an applicant shall become a Participant and the application shall become the CBM-NET CSD Participant Agreement between the CBM and that Participant.

#### **2.1.2 Postponement**

The CBM may postpone acceptance of an application for participation until such time as it has adequate personnel, premises, data processing capacity and other operational capabilities

to extend its services to additional Participants without impairing its current ability to provide the Service to existing Participants and carry out its operations.

### **2.1.3 Eligibility for Participation**

A Person shall be eligible to apply to become a Participant if it is a Person described in one of the following categories:

- (a) *Regulated Financial Institution*: A Person who (i) is incorporated, established or formed pursuant to the laws of Myanmar; (ii) is primarily regulated for prudential and liquidity purposes under the laws of Myanmar; and (iii) is a Financial Institution, a broker or dealer trading in securities or an insurance company or corporation.
- (b) *Foreign Institution*: A Person other than an individual who (i) is incorporated, established or formed under the laws of a jurisdiction situated outside Myanmar or who is primarily regulated for prudential and liquidity purposes under the laws of a jurisdiction situated outside Myanmar; and (ii) is a Financial Institution, a broker or dealer trading in securities, an insurance company or a Central Bank.
- (c) *Government Body*: The Government of the Republic of Myanmar or any of its agencies;
- (d) *Central Bank of Myanmar*: The Central Bank of Myanmar formed under the Central Bank of Myanmar Law (2013).

Initially, the commercial banks and the CBM will be the main Participants in the CBM-NET CSD.

### **2.1.4 Qualifications for Participation**

Participation in the CBM-NET CSD may be direct or indirect. Direct Participants are allowed to initiate securities transactions on their own behalf and on behalf of their Customers and indirect Participants. An indirect Participant will undertake transactions through a direct Participant subject to an agreement entered into by both parties, apart from these Guidelines.

A direct Participant must satisfy all of the qualifications set out below for the category to which the Participant belongs. Foreign Institutions must demonstrate that they have the necessary legal powers, that they are subject to adequate regulation and supervision of the home authority, and that their remote access would not expose the system to unacceptable risks.

- (a) If the Participant is a *Regulated Financial Institution* or a *Foreign Institution*:
  - i) The Participant must be a subsisting legal entity under the laws of its jurisdiction of incorporation, establishment or formation and must not be in default of filing any notice, report or return under the laws of such jurisdiction or the laws of any other jurisdiction in which the Participant carries on business, where the failure to file could

result in the Participant's ceasing to be duly incorporated, established or formed or in the revocation of its authorization to carry on business;

ii) The Participant must hold, and must have done all things required to hold, every registration, licence, permit, authorization or approval required in connection with its business from each Regulatory Body having jurisdiction over the Participant; and

iii) The Participant and each of its partners, directors and officers must be in compliance with all applicable regulations, orders or directions of each Regulatory Body having jurisdiction over the Participant, including such minimum operating requirements, capital requirements and financial stability standards as are applicable to the Participant.

(b) Each CBM-NET CSD Participant must operate a Settlement Account with the Central Bank and be a Participant in the RTGS or utilize the services of an RTGS Participant as Settlement Agent in respect of all securities transactions.

### **2.1.5 Standards for Participation**

A Participant shall demonstrate to the satisfaction of the CBM that it meets all of the following standards:

- (a) It has the financial ability to meet its obligations within the CBM-NET CSD;
- (b) It has sufficient qualified personnel and adequate physical facilities, back-up facilities, communication facilities, records and procedures to meet the operational requirements of the CBM-NET FTS and fulfill its commitments to other Participants with promptness and accuracy;
- (c) It conforms with the standards established by the CBM from time to time, and uses all reasonable care (which shall not be less than the degree of care it uses for its own similar security procedures), to protect data and securities transfer instructions in transit and to control User access to the network, all of which are necessary to assure data confidentiality and integrity;
- (d) It maintains appropriate security standards with respect to the segregation of responsibilities for its Signing Officers, Authorized Signatories, Administrators and Users;
- (e) All computer equipment and software used by the Participant for the processing of data, and for the exchange of data with the CBM-NET CSD and other Participants, does and will conform to the standards established by the CBM; and
- (f) It satisfies such other standards as the Bank may from time to time establish for Participants.

The CBM shall give notice to Participants of standards established pursuant to subsection (f) and of any changes to such standards and shall provide Participants with a reasonable time to comply with such standards or changes. The CBM will ensure that participation requirements are clearly stated and publicly disclosed so as to eliminate ambiguity and promote transparency.

## **2.2 Participant Responsibilities**

### **2.2.1 Notification of Change**

A Participant shall immediately notify the CBM in the following circumstances:

- i) It ceases to be eligible for participation, or to satisfy any of the standards or qualifications set by the CBM or to meet the requirements of the category into which it has been classified; or
- ii) There is a material change to information that was submitted by the Participant to the CBM as part of its application for participation in the CBM-NET CSD.

### **2.2.2 Confirmation of Standards**

A Participant shall demonstrate to the satisfaction of the CBM that it meets the qualifications and standards for participation. From time to time, the CBM may require a Participant to provide proof that it continues to meet such standards. The CBM shall determine whether such proof from the Participant is evidenced by a declaration by a Signing Officer of the Participant with responsibility for such matters, a report by the internal or external auditors of the Participant, or a review of the Participant's operations by the Bank's internal or external auditors. The CBM may request any Regulatory Body of the Participant to provide confirmation of the Participant's good standing with that Regulatory Body, and confirmation of any information relevant to the Participant's meeting the qualifications and standards, and the Participant shall co-operate with the CBM in making any such request.

## **3. SUSPENSION, TERMINATION AND WITHDRAWAL**

### **3.1 Overview**

The circumstances in which a Participant *shall* be suspended (automatic suspension) or *may* be suspended (discretionary suspension) from the CBM-NET CSD are set out in Section 3.2. If adequate cause exists the Bank may terminate a Participant. A Participant may also withdraw upon notice to the Bank. A Participant shall satisfy all of its obligations prior to withdrawing from the system. A Participant who has withdrawn or has been terminated may later apply for reinstatement.

### **3.2 Suspension and Termination**

The CBM may suspend a Participant provisionally or may terminate a Participant if it determines, in good faith that the Participant is in such financial or operating condition that its continuing as a Participant would cause material disruption to the Services or would jeopardize the interests of the CBM-NET CSD or other Participants. In exercising its discretion whether or not to terminate a Participant, the CBM may consider any information it deems relevant, including the occurrence of any of the following events:

- i) The Participant ceases to be eligible for participation in the CBM-NET CSD or to satisfy the qualifications or standards set by the Guidelines; (See Sections 2.1.3; 2.1.4; 2.1.5)
- ii) The Participant persistently fails to comply with the Guidelines and commits a breach of the provisions of the Guidelines that the CBM in its discretion considers to be a

material breach and fails to rectify the breach within the timeframe mandated by the CBM;

- iii) In the course of monitoring the Participant pursuant to Section 6.2, the CBM determines such action is necessary to protect the interests of the CBM-NET CSD and is in the best interest of all other Participants;
- iv) The occurrence of a Notifiable Event, including the cancellation of its registration or the suspension or revocation of its license by a Regulatory Body; or its entering into insolvency proceedings.

If the CBM believes that termination is warranted, it may immediately suspend the Participant with notice. Except in the case where a Participant's operating license has been revoked, the Bank may not expel the Participant from the system without first having consulted with the Participant about the actions or events giving rise to the termination. Immediately upon the suspension or termination of a Participant, the CBM shall restrict the right of the Participant to use all system functionality. Such restriction may be lifted in whole or in part by the CBM in its discretion as may be required to complete an orderly discharge of the Participant's obligations within the CBM-NET CSD.

### **3.2.1 Limitation of Liability**

The CBM shall not have any liability to any Participant, including the suspended or terminated Participant, for any act or omission in relation to the suspension or termination of a Participant or in relation to the exercise of its discretion whether or not to suspend a Participant. Each Participant irrevocably releases the CBM from any such liability.

### **3.2.2 Appeal of Suspension**

If a Participant who is suspended by the CBM pursuant to Section 3.2 appeals the suspension, the Bank shall convene a meeting to give the Participant an opportunity, within ten (10) days *after* the effective date of the suspension, to make representations on its behalf. At its option, the Participant may be represented by Counsel.

### **3.2.3 Appeal of Termination**

The Bank shall give the Participant an opportunity to make representations *before* its participation is terminated. At its option, the Participant may be represented by Counsel. At least five (5) days before the meeting at which the termination of a Participant is to be considered, the CBM shall give to the Participant notice in writing of the meeting and a summary of the reasons for the proposed termination. The Participant shall cease to be a Participant as of the date and hour specified by the Bank. The CBM shall notify the Regulatory Body that has jurisdiction over the Participant when the meeting is called to review/authorize the termination of a Participant and of the subsequent termination.

### **3.2.4 Notification of Suspension or Termination**

Notice of suspension or termination specifying the cause therefor shall be given promptly to the suspended or terminated Participant, and as soon as practicable to the other Participants simultaneously. The notice to the other Participants of the suspension or termination of a Participant shall indicate the category in which the suspended Participant is classified.

### **3.3 *Withdrawal by Participant***

A Participant may at any time notify the CBM that it wishes to withdraw from participation, or resign, by giving prior written notice of at least one month, or such shorter period as the CBM may agree to accept. A Participant shall satisfy all of its obligations prior to withdrawing from the system. The Participant shall cease to be a Participant at the later of the expiry of such notice period or the time determined by the CBM at which all of the Participant's outstanding payment obligations pursuant to its use of the system have been satisfied and all other requirements for withdrawal have been met. The CBM shall promptly give notice to other Participants that the Participant has given notice of its intention to withdraw from participation in the CBM-NET CSD.

Withdrawal from the system will not entitle a Participant to any refund of fees or charges which it has paid or incurred and may incur a withdrawal fee covering administrative costs.

### **3.4 *Survival of Obligations***

The liabilities and obligations of a Participant to the CBM-NET CSD and to other Participants, and of the CBM-NET CSD and other Participants to the Participant, arising from its use of the system and pursuant to these Guidelines, shall survive the suspension, termination or withdrawal of the Participant as though the former Participant were still a Participant.

A Participant whose access to the CBM-NET CSD is terminated shall continue to be bound by these Guidelines in respect of:

- a) Any act, matter or thing occurring prior to the time such termination took effect or as a result of such termination;
- b) Any fees, costs, charges and expenses which may be levied on, or which are to be reimbursed by Participants in accordance with these Guidelines in respect of periods which commenced prior to the time such termination took effect or which relate to any such act, matter or thing;
- c) Any right of set-off or counterclaim, which is available at law, upon termination of the access of a Participant.

Prior to exit the Participant must immediately pay all sums of money owed by it to any other Participant in respect of obligations arising from the sale or purchase of securities. All sums of money owed to the terminating Participant in respect of payments and securities exchanged must be paid by that other Participant to the terminating Participant. A Participant whose access is terminated or suspended shall not be entitled to a refund of any part of any entrance, operating or other fee which has been paid in accordance with these Guidelines.

### **3.5 *Reinstatement of Participant***

A Participant who has withdrawn or who has been suspended or terminated may be reinstated upon submitting to the Bank a request for reinstatement. The Bank may, in its discretion, reinstate the Participant on whatever terms it considers appropriate, including (without limitation) requiring the Participant to meet any costs incurred by the Bank in connection

with the suspension or expulsion of that Participant and to submit a new application in accordance with Section 2.1.1, and without any liability on the part of the Bank.

#### **4. LIABILITY AND INDEMNITY**

##### ***4.1 Participants' Responsibility***

Each Participant is responsible for the correct generation and transmission of its instructions to move securities across its accounts in the CBM-NET CSD and for the authenticity of such instructions, and must accept responsibility for the accuracy and completeness of all its messages. The CBM shall be entitled to rely on each Participant, and each Participant shall be bound by and shall be responsible to the CBM and to other Participants for:

- (a) Every communication, transaction, authorization or instruction validated as emanating from the Participant's terminal;
- (b) Every act of, document signed by, or communication, transaction, authorization or instruction given by, any Signing Officer or Authorized Signatory; and
- (c) Every communication, transaction, authorization or instruction received by the CBM from a Third Party on behalf of the Participant,

...regardless of the medium by which it is communicated, and whether or not it is within the scope of the authority given by the Participant to the Person making it (provided it is within the scope of the system activities designated by the Participant).

Subject to the foregoing, the CBM shall not be required to check the source of any communication, nor to confirm whether any other Person from whom a communication has been received on behalf of the Participant has been authorized by the Participant to send such communication. The CBM shall have no responsibility or liability for an act taken in good faith in reliance upon, and a Participant shall be bound by, a communication, transaction, authorization, instruction, act or document, notwithstanding any error that may occur in the course of transmission or recording of it, any forgery or fraud by a Signing Officer, Authorized Signatory, Administrator or User, or any other error, misunderstanding or lack of clarity in any communication, transaction, authorization, instruction, act or document.

##### ***4.2 Participant Liable as Principal***

A Participant shall be bound by and shall fulfil, perform, observe and comply with all duties and obligations imposed upon such Participant under these Guidelines and shall be entitled to the benefit of the rights and privileges conferred under these Guidelines. The Participant shall be liable as principal for all obligations incurred with respect to the use of the CBM-NET CSD, whether the Participant is acting on its own behalf, on behalf of another Person or through another Person.

##### ***4.3 CBM – No Liability Except to Participants***

In no event shall the CBM be liable to any Person other than a Participant with respect to the operation of the CBM-NET CSD (including any client or customer of a Participant, any Person on whose behalf a Participant was acting in any capacity, or any other Person claiming through or against such Persons).

#### **4.4 Indemnity by Participant**

Each Participant shall indemnify and hold harmless the CBM and all other Participants and their respective directors, officers, employees and agents from and against any loss, damage, cost, expense, liability or claim (including the cost of legal counsel to advise on or defend against such claims) suffered or incurred by or made against it, or any of them arising from:

- a) Any interruption, malfunction or disruption of the CBM-NET CSD operations to the extent caused or contributed to by any negligent, reckless, willful, fraudulent or dishonest act or omission of the Participant or of any director, officer, employee, servant, contractor or agent of the Participant done while acting in the course of office or employment or made possible by information or opportunities afforded by such office or employment;
- b) Any incorrect instructions, information or documentation provided by the Participant; and
- c) Any breach by the Participant of its obligations under the CBM-NET CSD Participant Agreement, the Guidelines or any applicable laws or regulations.

#### **4.5 Notifiable Event**

The Participant acknowledges that the System Operator and each of the Participants rely on, and place trust in, all other Participants for the continuing successful Settlement of Transactions. The Participant, in recognition of this reliance, immediately upon the occurrence, or threatened occurrence, of a Notifiable Event will:

- a) If the Participant has good reason to doubt its authority to instruct the System Operator to Settle any Transactions, ensure that no further Transactions are entered into the System; and
- b) Notify the System Operator of the occurrence, or threatened occurrence, of that Notifiable Event and the steps (if any) the Participant is taking to ensure that it continues to have authority to instruct the System Operator to Settle Transactions.

### **5. OPERATING GUIDELINES**

#### **5.1. Accessing the System**

##### **5.1.1 Levels of Authority**

Individuals are authorized to act on behalf of a Participant in respect of the Services in the capacities set out below.

- (a) *Signing Officer*: A Signing Officer is authorized and empowered to act on behalf of the Participant for all purposes.
- (b) *Administrator*: A Signing Officer appoints or terminates an individual as an Administrator for the Participant. An Administrator appoints or terminates the individuals to act as Users for the Participant. It sets up the User under a secure

43 procedure with User name and password, and manages changes to User profiles and their removal from the system.

(c) *User*: A User has access to the specific system activities designated by the Administrator appointing the User.

(d) *Authorized Signatory*: A Signing Officer appoints or terminates an individual as an Authorized Signatory. An Authorized Signatory may be authorized to perform such duties as transmit instructions and sign, take delivery of, or deliver documents in connection with the participation of the Participant in the CBM-NET CSD.

### **5.1.2 Accessing the Services**

Participants will submit to the CBM an application for each User. The CBM carries out all Participant and User management activities at the central system level. Only the CBM shall have the right, in its sole discretion, to authorize new Participant Security Administrators. Upon the request of the Participant, the CBM will create and maintain their other Users in the CBM-NET, allocate User names, User profiles and access rights.

The CBM establishes the types of terminals that are eligible to be used to access the network and the configuration and standards to be met. The CBM provides the initial terminal and each Participant must acquire any additional terminals which are to be used by it or on its behalf to access the Services and communicate with the CBM-NET.

### **5.1.3 CBM is Authorized to Act on Behalf of Participants**

All Participants authorize the CBM to execute instructions permitted by these Guidelines and which are received in a format as described in the User Manual on their behalf. Under exceptional circumstances, with the prior agreement of the CBM and at the request of the Participant, the CBM may initiate transactions on behalf of Participants using the Central Bank user interface. Participants also authorize the CBM as Operator to collect payments due for the settlement of fees and charges by debiting their Settlement Accounts.

## **5.2. Overview of Depository Services**

### **5.2.1 General Description**

The CBM-NET CSD is an electronic registry of holders of debt and money market instruments issued by the Government of the Republic of Myanmar and the Central Bank of Myanmar, respectively. The CBM-NET CSD integrates the clearance and settlement of all government securities and is linked in real time to the CBM-NET FTS for the following:

- Settlement of primary issues of securities
- Open market operations of the CBM
- The provision of intraday liquidity by way of a daylight overdraft
- Inter-bank money market operations and
- Secondary market securities transactions.

The Bank operates as the agent of the Government in respect of all issues of GRM securities. The CBM manages all processes associated with the issue, transfer and management of securities.

### **5.2.2 Eligibility of Securities and Currencies**

Only securities that the CBM has determined are eligible may be deposited into or held in the CBM-NET CSD. The Bank may determine from time to time the currencies in which securities may be denominated and the classes of securities for which Transactions may be processed in the CBM-NET CSD. Transfer of securities within the CBM-NET CSD or of any transaction or settlement effected in respect of such security shall be deemed to be final.

### **5.2.3 Types of Accounts**

Within the CBM-NET, Participants execute transactions on their own behalf as well as on behalf of their customers. The CBM-NET also carries out credit and collateral management functions. There are three types of securities accounts associated with each Participant:

- i) The Proprietary account – that maintains the Treasury Bonds and Treasury Bills owned by each Participant, including the CBM;
- ii) The Customer account – that maintains the aggregate holdings of the customers on whose behalf transactions are executed by the direct Participant. These holdings are not segregated by customer, but are held as an omnibus, aggregated account.
- iii) The Pledged account – used to manage Treasury Bonds and Bills that are:
  - a. Pledged by a Participant to the CBM as collateral for the ILF; and
  - b. Pledged by the Participant to other Participants as collateral.

### **5.2.4 Securities Settlement**

A transfer of a Security in the CBM-NET CSD is effected by debiting and crediting the Accounts of the delivering Participant and the receiving Participant respectively in the quantity of the Security relating to that Trade. Settlement of transactions requiring the movement of funds is effected on a Delivery versus Payment basis by debiting and crediting the respective funds (CBM-NET FTS) and securities (CBM-NET CSD) accounts of the counterparties to the Trade. The making of such entries effects final and irrevocable delivery of the securities between the Participants with respect to that Trade. Securities may also be transferred Free of Payment (FoP). The CBM-NET CSD processes and distributes entitlements in respect of Government securities to Participants on payment date with payments received electronically and in same day final funds. Entitlements include interest, payments upon redemption or maturity and other events involving payments or distributions to holders.

For the purpose of determining the time of settlement, the security leg of a transaction shall be deemed to be settled at the same moment in time as the cash leg is settled in the CBM-NET FTS. In no case will the Securities Account of a Participant be permitted to fall below zero. The CBM-NET CSD shall not settle transactions requiring the movement of securities if the amount of securities held in the Participant's account is insufficient. CBM-NET CSD Participants that do not maintain Settlement Accounts with the Central Bank must appoint a

commercial bank as Settlement Agent. The Settlement Agent's CBM-NET FTS account will be debited /credited in respect of transactions carried out by the CBM-NET CSD Participant.

### **5.2.5 Pledge**

A pledge of a Security is effected by debiting the securities Account of the pledgor Participant and crediting the Pledged account of the pledgee Participant in the quantity of the securities relating to that Pledge.

## **5.3 Operation of the Services**

### **5.3.1 Business Days**

CBM-NET shall operate as an integrated funds and securities settlement system. The CBM-NET calendar shall specify the days on which the system shall be available to process Transactions and these are considered Business or Banking days. The CBM-NET will operate on normal Banking days, that is, any day other than Saturdays, Sundays and public holidays and any other days as may be notified by the Central Bank.

Each Participant shall ensure that it has facilities available to meet any obligation it may have in relation to the settlement of any securities Transaction throughout the Business Day and must be capable of sending and receiving messages during the hours of operation of the system. In exceptional circumstances, as may be advised by the CBM, such as a natural disaster affecting the entire banking and payment system, and at the sole discretion of the CBM, a normal Banking day may be declared a non-Business day and any non-Business day may become a normal Banking day. In such an event Participants will ensure that there is no penalty or loss of interest to any party where transactions normally carried out on the affected day are processed on an alternate day.

### **5.3.2 Cut-Off Time**

The CBM-NET Operating Schedule (See Annex 1.) shall set out the times /hours/windows on each Business Day at which the entry of the different types of instructions and data can be initiated by Participants or shall cease. Only the CBM will be able to effect Settlement or otherwise process transactions after the permitted time for entry of instructions and data by Participants has passed.

### **5.3.3 Intraday Liquidity Arrangements**

Participants who have Settlement Accounts in the CBM-NET FTS can access intraday liquidity from the Central Bank through the Intraday Liquidity Facility (ILF) which is made available on a collateralized basis. Intraday liquidity may be granted by the CBM to Participants up to the amount of collateral held in their 'Pledged Account'. The ILF is provided by way of a daylight overdraft. The CBM will specify the types of securities that are eligible as collateral.

#### **5.3.4 Data and Record Retention**

The CBM shall archive its data and records and make such data and records available to Participants online through the enquiry function and also upon request. The CBM shall not be obligated to retain its records relating to any transaction for longer than 5 years, or such period as defined in the Statute of Limitations, after the date on which the entry relating to that transaction was made. The Bank may determine that certain records or classes of records shall be discarded or destroyed before the expiry of such 5-year period.

#### **5.4 Fees and Charges**

##### **5.4.1 Entrance Fees**

The Bank shall from time to time establish entrance fees to be paid by an applicant whose application to become a Participant, has been approved. The entrance fees may be expressed as a fixed amount. This may be subject to minimum or maximum limits. The Bank shall not be obligated to consider an application until it has received payment of the applicant's entrance fee. If an application is rejected, the Bank shall refund the entrance fee. If an application is accepted, the entrance fee shall not be refunded for any reason, including the later suspension, termination or withdrawal of the Participant.

##### **5.4.2 User Fees**

The Bank may charge and the Participants shall pay fees for the use of each Service, as determined by the CBM from time to time. The schedule of fees shall be published. Charges will also be assessed for a Participant's failure to comply with the Guidelines. The fee schedule may be revised from time to time and the CBM shall give notice to Participants of any increase in fees not less than 30 (calendar) days prior to its coming into effect.

##### **5.4.3 Taxes and Charges for Unusual Expenses**

A Participant shall pay to the CBM the amount charged for any unusual expense caused directly by the Participant relating to its use of the CBM-NET CSD. Without limiting the generality of the foregoing, such expenses include the cost of producing records pursuant to an order or other legal process in any litigation or legal or regulatory proceeding or investigation. A Participant shall also pay any taxes and other governmental charges levied or imposed in respect of the Services, entrance fees, user fees and charges.

### **6. ROLE OF THE CENTRAL BANK**

#### **6.1 General Description**

The CBM is responsible for managing the day-to-day operations of the CBM-NET and for employing the mechanisms to mitigate potential risks to the CBM-NET CSD and to Participants. Such mechanisms include monitoring the status and activities of Participants within the CBM-NET CSD.

The CBM is also responsible for the oversight of the financial market infrastructures which includes the CBM-NET , to ensure its safe and efficient operation. This is a statutory mandate prescribed by Section 40, subsection (i) of the Central Bank of Myanmar Act (2013) which stipulates among the Bank’s powers ‘*promoting and overseeing a safe, sound and efficient payment system.*’

Participants agree to provide to the CBM in writing, and within five (5) Business Days of any request, any information relating to the Participant’s operation in the CBM-NET CSD that the Overseer may request. Failure to supply information as requested by the Overseer may be grounds for suspension under Section 3.2 of these Guidelines.

## **6.2 Monitoring of Participants**

### **6.2.1 Ongoing Monitoring**

In carrying out its role as CBM-NET Operator, the CBM shall monitor each Participant’s activity within the CBM-NET CSD. Acting in good faith and in accordance with the Guidelines, the CBM shall take steps to ensure the due performance by each Participant of its obligations to the CBM-NET CSD, the CBM and other Participants, when it considers such action to be necessary to protect the interests of the CBM-NET CSD and the interest of all other Participants. In taking such steps, the CBM shall take into consideration any relevant information, including the financial stability or regulatory status of the Participant, the amount of its obligations, market volatility and liquidity.

### **6.2.2 Compliance Reporting**

The CBM will assess Participants’ compliance with these Guidelines and for this purpose require them to submit audit reports or certification of compliance signed by a Signing Officer on behalf of the Participant with respect to technological and other requirements. Participants shall also provide confirmation that the Participant’s use of the Services is in compliance with the CBM-NET CSD Guidelines. In assessing the extent of Participants’ compliance with these Guidelines, the CBM may engage the services of a competent third party to carry out relevant tests and provide such independent certification as deemed necessary.

## **7. GOVERNANCE ARRANGEMENTS**

### **7.1 Confidentiality**

#### **7.1.1 CBM’s Responsibility**

The CBM shall preserve the confidentiality of any information concerning a Participant or provided by a Participant that becomes known to it through the operation of the CBM-NET CSD, exercising the same degree of care as it uses with respect to its own confidential information. The CBM will not use such information except for the purpose of operation or oversight of the CBM-NET CSD. Such confidentiality obligation shall not preclude the disclosure of confidential information to any of the CBM's officers, directors, employees or agents, that is necessary for the CBM-NET CSD’s operation.

### **7.1.2 Participants' Responsibility**

Each Participant shall preserve the confidentiality of the operations of the CBM-NET CSD; and any information concerning the CBM-NET CSD or provided by the CBM-NET CSD, that, at the time of disclosure, is marked as confidential or is disclosed orally as confidential and that becomes known to the Participant through its participation in the system. Such confidentiality obligation shall not apply to any information that is or becomes generally available to the public, otherwise than as a result of the breach of this Section 7.1. In preserving such confidentiality, each Participant shall exercise the same degree of care as it uses with respect to its own confidential information.

### **7.1.3 Release of Information**

Each Participant authorizes the CBM to release any information concerning the Participant or provided by a Participant in the circumstances listed below:

- a) The CBM may release such information at the request of or with the prior written consent of the Participant.
- b) The CBM may release such information to its auditors and the auditors of the Participant and other Participants, as may reasonably be required to perform their duties.
- c) The CBM may release such information as may be required from time to time by a Regulatory Body or by order, summons, subpoena, statutory direction or other process of, or pursuant to an agreement with, a court or other administrative or regulatory agency.

The CBM may publish information that is in a statistical, summary or other format, provided the information in that format does not specifically identify a particular Participant. In releasing any information pursuant to this provision, the CBM shall take reasonable steps to avoid releasing any information that may identify a particular client or customer of a Participant, unless such information is requested in writing by the requestor and the requestor has, in the opinion of the CBM, the legal right to obtain such information.

## **7.2 Publication of Documents**

The CBM shall maintain a website, identified as [www.cbm.gov.mm](http://www.cbm.gov.mm) or such other identification as is provided by notice to Participants from time to time. The CBM shall publish on the website the Guidelines for the CBM-NET CSD, and all communication to be given in accordance therewith. The electronic version of each document, as published on the website, shall be the definitive version of such document. The CBM shall maintain a master document list evidencing the version of each document that is in effect at any time.

### 7.3 *Communication*

#### 7.3.1 **Notice from the CBM to Participants**

- (a) *Method of Giving Notice to Participants:* When the CBM gives a notice under the Guidelines or Participant Agreement that is directed to Participants generally or to a group of Participants, the notice shall be:
  - i) Sent by e-mail to the e-mail address provided by the Participant; or
  - ii) Delivered to the street address provided by each Participant to whom the notice is directed; or
  - iii) Sent by other means of communication in permanent written form.
- (b) *Effective Time for Notice:* Notice given by the CBM to a Participant in accordance with one of the foregoing methods is effective:
  - i) At the time that the CBM sends or delivers such notice, if the notice is sent or delivered when the CBM-NET CSD is open for business; or
  - ii) At the next time that the CBM-NET CSD is open for business, if the notice is sent when the CBM-NET CSD is closed...

...provided that any notice that is sent by e-mail and directed to a Participant shall be effective only at the time that the Participant confirms receipt of such notice.

- (c) *Address for Notice:* Each Participant shall provide the CBM with an appropriate e-mail address, street address and post office box number for purposes of this provision, and the CBM may rely upon the most recent notification provided by the Participant.
- (d) *Notice Not Communication:* This applies only to matters where the Participant Agreement or the Guidelines specify that the CBM shall give notice to a Participant, to a group of Participants or to Participants generally. All other communication between the CBM and a Participant shall be made in keeping with standard business communication protocols.
- (e) *Court Process:* This does not apply to the service of documents on a Participant as part of a legal process of a court, which shall be governed by the applicable statutory or regulatory provisions.

#### 7.3.2 **Notice from Participants to the CBM**

- (a) *Method of Giving Notice to the CBM:* When a Participant gives notice to the CBM under the Guidelines or Participant Agreement, the notice shall be:
  - i) Sent by e-mail to the following e-mail address: [fmd.cbm.ygn@mptmail.net.mm](mailto:fmd.cbm.ygn@mptmail.net.mm) (or to such other e-mail address as is provided by notice to Participants); or

- ii) Delivered to: The Central Bank of Myanmar  
Office No. 55,  
Yaza Thingaha Rd,  
Naypyitaw, Myanmar  
Attention: Director General, Financial Supervisory Department/  
Deputy Director General, Financial Market Department

(b) *Effective Time for Notice:* Notice given by a Participant to the CBM in accordance with one of the foregoing methods is effective at the time that the CBM confirms receipt of such notice. The CBM shall confirm receipt of any notice given by a Participant as soon as is practicable, taking into account all of the circumstances including whether notice was given during business hours at the registered office of the Bank.

(c) *Notice Not Communication:* This applies only to matters where the Participant Agreement or the Guidelines specify that a Participant shall give notice to the CBM.

## **7.4 Amendment of Guidelines**

### **7.4.1 Review Period**

A Participant may submit to the Bank for consideration a proposed amendment (other than a technical amendment) to the Guidelines. An amendment is a technical amendment if it is restricted to one or more of the following purposes: (i) correcting spelling, punctuation, typographical or grammatical mistakes or inaccurate cross-referencing in an existing provision in the Guidelines; or (ii) revising stylistic formatting, including changes to headings or paragraph numbers. Such proposals should fully describe the purpose and benefit of the change being proposed and should be sent to the CBM in the format indicated in Appendix 3 herein. In its discretion, the Bank may reject the proposed amendment or may approve the proposed amendment with or without variation. The CBM shall give notice to each Participant of the proposed amendment and shall provide Participants with a period of not less than 30 days within which to review the proposed amendment and to advise the CBM of their comments in writing. The notice to Participants shall indicate the date on which the proposed amendment will become effective.

### **7.4.2 Implementation of Amendment**

The effective date of an amendment shall be not less than 10 days following the day on which the CBM gives notice to Participants of such amendment. If the Bank determines that circumstances require prompt or immediate action, it may specify a shorter period of time or make the amendment effective immediately.

## **8. LEGAL MATTERS**

### **8.1 *Legal Record of Ownership***

The CBM-NET CSD constitutes the sole legal record of ownership of securities issued by the Government and the Central Bank. The Participants agree that all movement of these securities including pledges, sale, purchase, repurchase agreements or reverse repurchase agreements that give rise to title in exchange and grant automatic access in the event of default, will take place within the CBM-NET CSD. The CBM derives its authority to operate the CSD from the Banks and Financial Institutions Law (2014). Section 143 (a) of this law authorizes the CBM, inter alia, to “*establish, operate, organize, promote, participate or assist in the establishment, operation, organization and promotion of, and regulate and supervise any system for the clearing and settlement of payments and ...for the clearing and settlement of securities and other arrangements for the exchange of securities...*”

### **8.2 *Dispute Resolution***

Responsibility for resolving any dispute between Participants arising from the use of the CBM-NET CSD shall rest solely upon the Participants who are parties to the dispute. A Participant shall take all reasonable steps necessary to resolve any dispute that it has with another Participant or with the CBM in relation to the use of the CBM-NET CSD. The parties to the dispute shall continue to use the CBM-NET CSD and fulfil their obligations in relation thereto pending the resolution of the dispute.

### **8.3 *Severability***

In the event that one or more of the terms and conditions contained in these Guidelines shall be determined to be invalid, unlawful or unenforceable in any respect, then such term(s) or condition(s) shall be severed from the remaining terms and conditions which shall continue to be valid and enforceable to the fullest extent permitted by law.

### **8.4 *Law and Jurisdiction***

The operations of the CBM-NET CSD are governed by the Banking and Financial Institutions Law and the Central Bank of Myanmar Law. The Guidelines of the system and any agreement thereunder shall be governed by and construed in accordance with the laws of Myanmar.

### Annex 1 – Daily Operating Schedule – CBM-NET

<b>Time</b>	<b>FTS</b>	<b>CSD</b>	<b>Activities/ Transactions</b>
9:00am – 9:30am	Start of Day	Start of Day	<ul style="list-style-type: none"> <li>• CBM initiates start up</li> <li>• CSD opens for movement of ILF securities</li> <li>• Value Date is automatically set, access is enabled, the servers are brought on line</li> <li>• General Ledger adjustments made from overnight processing</li> </ul>
9:30am – 3:00pm	Daily Settlement Session	Movement of securities	<ul style="list-style-type: none"> <li>• Participants send and receive all types of Payment Instructions – funds and securities</li> <li>• Participants access ILF and arrange funding to repay ILF before the Final Cut-off</li> <li>• Participants negotiate overnight loans (interbank or from CBM)</li> <li>• CSD secondary market closes</li> </ul>
1:30pm – 2:30pm	Multilateral Net Settlement Session		<ul style="list-style-type: none"> <li>• Net Settlement Instructions from the MCH and other approved Clearing Houses uploaded manually to the CBM-NET FTS.</li> </ul>
3:00pm – 4:00pm	Final Cut-off/ Inquiry	Final Cut-off/ Inquiry	<ul style="list-style-type: none"> <li>• Transfers no longer permitted from Participants; inquiry access only</li> </ul>
4:00pm – 5:00pm	System Close and End of Day	System Close and End of Day	<p>Except for the CBM, no further inputs accepted from Participants</p> <p>End-of-day processes such as report generation and download, archiving and reconciliation.</p> <p>CBM-NET shut down</p>

## Annex 2 – CSD Application Form

<b>To:</b>	The Director General Central Bank of Myanmar	
<b>From:</b>	Name of Applicant:	
	Place of Incorporation:	
	Myanmar Company Registration Number:	
	Registered Office Address/ Principal Place of Business in Myanmar:	
	SWIFT BIC:	
	Name of Contact Person:	
	Telephone Number:	
	Fax Number:	
	E-mail:	
	Preferred Start Date: <i>(This is the preferred date on which the Applicant wishes to be admitted as a Participant of the CBM-NET CSD.)</i>	

The above named body corporate (“Applicant”) hereby applies for membership as a Participant in the CSD. The Applicant agrees that if this application is accepted then subject to and in consideration of that acceptance:

1. The Applicant will observe and comply with the CBM-NET CSD Guidelines in force from time to time. The Applicant hereby acknowledges receipt of a copy of these Guidelines, as currently in force.
2. The Applicant will observe and comply with the requirements and directions of the Central Bank and any relevant statutory authority in force from time to time relating to the CSD.
3. The Applicant undertakes not to impair the overall efficiency of the CSD in any manner after becoming a Participant.
4. The Applicant undertakes to pay the fees and other amounts payable under the CBM-NET CSD Guidelines by a Participant.
5. The rights and obligations contained herein shall apply equally to every other Participant who has agreed to observe and comply with the Guidelines and have executed the Agreement for Participating in the CBM-NET CSD.

Terms not defined in this application form have the same meaning as in the CBM-NET CSD Guidelines.

<b>Dated:</b>	
<b>EXECUTED by THE APPLICANT by or in the presence of:</b>	
<b>(Signature of Secretary/Director)</b>	<i>(Signature)</i>
<b>(Full name of signatory)</b>	<i>(Full name of signatory)</i>
<b>(Signature of Secretary/Director)</b>	<i>(Signature)</i>
<b>(Full name of signatory)</b>	<i>(Full name of signatory)</i>

### Annex 3: Change Request Form for CBM-NET CSD Guidelines

Change Request Number \_\_\_\_\_

TO: CENTRAL BANK OF MYANMAR  
[compliance@cbm.gov.mm](mailto:compliance@cbm.gov.mm)

FROM (Name of Participant): \_\_\_\_\_

NAME OF CONTACT PERSON: \_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_

EMAIL ADDRESS: \_\_\_\_\_

<b>Priority:</b> ( <i>high, medium or low</i> )	
<b>Document affected:</b> ( <i>CBM-NET CSD Guidelines, User/Business Manual</i> )	
<b>Description of change:</b>	
<b>Reason(s) for change:</b>	
<b>Benefit(s) of changing:</b>	<b>Disadvantage(s) of changing:</b>
<b>Effect(s) of not changing:</b>	
<b>Author and Contact Details:</b>	<b>Authorized by:</b>

## Haircut Ratio

<b>Remaining Maturity of Collateral</b>	<b>Haircut Ratio (%)</b>
Less than or equal 3 months	2%
Less than 1 year	5%
1 year to less than 2 years	10%
2 years to less than 3 years	10%
3 years to less than 4 years	10%
4 years to less than 5 years	10%
5 years to less than 6 years	10%
6 years to less than 7 years	10%
7 years to less than 8 years	10%
8 years to less than 9 years	10%
9 years to less than 10 years	10%
More than 10 years	10%