

Methodology on determination of Reference Exchange Rate

According to the CBM Instruction No. 5/2019 (dated February 4, 2019), the Reference Exchange Rate of the Myanmar Kyat equivalent to one unit of the US Dollar is computed and published by the Central Bank of Myanmar on its website every bank business day at 16:00.

The Reference Exchange Rate is calculated based on weighted average exchange rate of the spot trades by the banks on the daily Foreign Exchange market during the calculation period (from 9:00 to 15:00 of the calculation day). The trade deals include:

- (i) Spot interbank trades conducted between the Authorized Dealer Licensed banks (interbank trades);
- (ii) Spot trades conducted between the Authorized Dealer Licensed banks and their customers (bank-customers trades);

The Reference Exchange Rate is calculated as weighted average exchange rate of the interbank trades with 60 percent weight and the bank-customers' trades with 40 percent weight, if the total amount of interbank trades conducted during the calculation period is more than three (3) million U.S. Dollar.

The Reference Exchange Rate of Myanmar Kyat towards the U.S. Dollar is calculated as the weighted average exchange rate of interbank and bank-customers' trades based on actual transaction weights during the calculation period, if the total amount of interbank trades conducted during the calculation period is less than three (3) million U.S. Dollar.

The relative weights in calculation of the Reference Exchange Rate, mentioned above, will be reviewed time to time with the aim of increasing the share of interbank trades.

It should be noted that the Reference Exchange Rate is an indicative rate and participants in the foreign exchange market are not required to use it in their foreign exchange transactions. The Reference Exchange Rate of the previous bank business day can be used for settling customs obligations, accounting and statistical purposes.