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Office of the Securities and Exchange Commission of Myanmar

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ရွှင်လန်းချမ်းမြေ့ပါစေ



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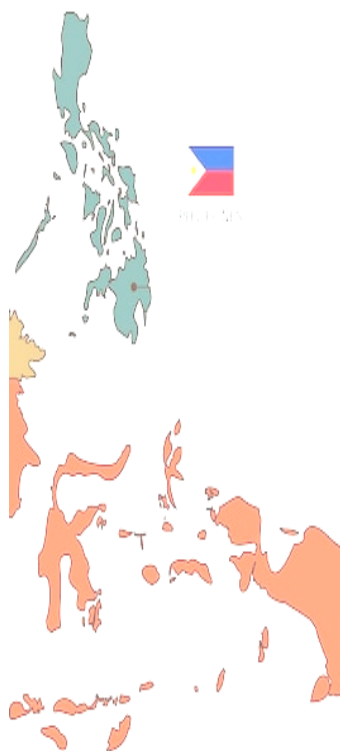


Participated in the 40th ASEAN Capital Markets Forum (ACMF) Chairs Meeting and ACMF-ISSB Workshop on the IFRS of Sustainability Disclosure Standards



As the invitation of the Laos Securities and Exchange Commission, a delegation from the Securities and Exchange Commission of Myanmar attended the 40th ASEAN Capital Markets Forum (ACMF) Chairs Meeting and ACMF-ISSB Workshop on the International Financial Reporting Standards (IFRS) of Sustainability Disclosure Standards which were held from 15 to 16 March 2024 in Luang Prabang, Laos.

ASEAN
Association of Southeast Asian Nations



Local News

Commission's Meetings



The meetings of the Securities and Exchange Commission were held twice from January to March 2024.

Meetings of the Commission Office

Yangon Stock Exchange (YSX)	Weekly
Executive Committee	Monthly
Securities Companies	Monthly
Training Schools	Monthly
Internal Staff Durbar	Monthly

Welcoming and Celebrating the 9th Anniversary of the SECM Office

To welcome the 9th anniversary of the Securities and Exchange Commission Office, which will fall on 24 February 2024, a blood donation and lunch were held at the Yangon General Hospital on 19 February 2024.



Holding the Domestic Bond Market Development Working Committee (DBMD-WC) Meeting



The 1/2024 Domestic Bond Market Development Working Committee (DBMC-WC) Meeting was held virtually by the representatives and committee members from the Central Bank of Myanmar, Office of the Ministry of Planning and Finance, Treasury Department, Financial Regulatory Department, Myanma Economic Bank and the Officials of the SECM office on 16 February 2024.

Offering Securities to the Public

A **public offering (PO)** is the sale of equity shares or debt securities by a company or an organization to the public to seek or raise the necessary funds. In Myanmar, a public company shall submit the procedure for a public offering of its securities to the Securities and Exchange Commission (SEC) before the public offering and obtain the approval of the Commission. The Commission shall decide on this matter within 60 days as prescribed in Section 35(a) of Chapter 6 of the Securities Exchange Law (20/2013).

Initial Public Offering (IPO)

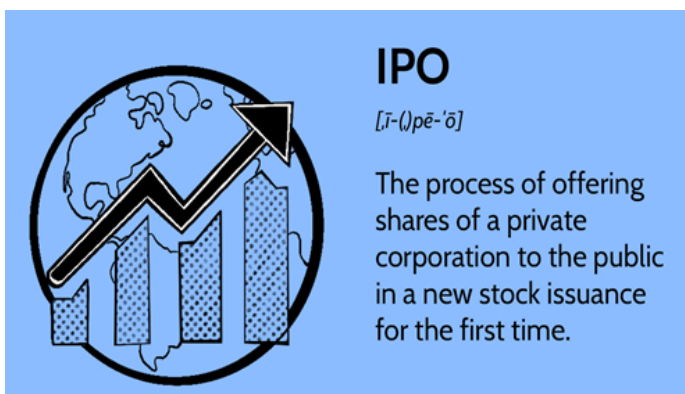
When a private company first offers and sells new shares of stock to the public, this process is known as an initial public offering (IPO).

Startups and operating companies often decide to transform into a public company by doing an IPO to sell their shares in an IPO for creating liquidity or to raise capital or to pay off debt or to increase funding or to improve the company's image. Meanwhile, it also allows public investors to participate in the offering. So, this transition is an important time for private investors in the company.

Initial Public Offering Process

A private company must meet the public reporting and disclosure obligations imposed by the SEC to be going into a public company. After that, the company shall choose a Securities Company licensed for underwriting business that will handle the securities registration process and offer shares to the public. Securities Company will coordinate with responsible investment banks and issuer (the company) to sell the shares to institutional investors and individual investors.

In Myanmar, there are six Securities Companies⁽¹⁾ and one Investment Advisory Company⁽²⁾ that have been allowed to carry out the business of offering and selling securities by the Securities Exchange Law.



In essence, an IPO is a process in which a company's ownership transitions from private ownership to public ownership. For that reason, it is sometimes referred to as “Going Public”.

Methods of offering shares to the public

There are three ways that public companies can offer to sell their shares. They are:

- (a) Offering to the public without listing on the Stock Exchange (IPO without Listing);
- (b) Listed on the Stock Exchange and offered for sale to the public (IPO with Listing);
- (c) Listed but IPO/PO yet to be issued on the Stock Exchange, shares can be traded easily.

In the IPO without listing method, which is offered and sold to the public without being listed on the Stock Exchange, according to Section 35(a) of the Securities Exchange Law, the securities may be offered and sold to the public only after submitting a prospectus to the Securities and Exchange Commission and obtaining approval. In an IPO with a listing method, it is necessary to submit a prospectus and obtain approval from the Commission, and the shares can be offered and sold to the public while simultaneously being listed on the Stock Exchange. The Listing but IPO/PO yet method does not involve the offering and sale of shares to the public (IPO), but when applying for listing, only the Disclosure Document for Listing (DDL) needs to be submitted to the Stock Exchange. Companies can penetrate the capital market by offering and selling shares to the public using these methods.

Offering shares to the public on the Yangon Stock Exchange

At the Yangon Stock Exchange, there is a Main Board and a Pre-Listing Board (PLB). A public company can offer shares to the public if it fulfills the listing criteria conducted by the Yangon Stock Exchange and can be listed on the Main Board. The companies that still need to meet the listing criteria can register on the PLB which creates a market for trading registered shares of unlisted public companies so-called the **Registration Board**, and offer their shares to the public.



After the establishment of the Yangon Stock Exchange on 9 December 2015, eight Public Companies⁽³⁾ have been listed on the Main Board, and their shares have been offered to the public.

The Pre Listing Board (PLB) has been established on the Yangon Stock Exchange according to the Commission's Notification No. 1/2022, dated on 1 February 2022. PLB is developing a new source of capital for Small and Medium Enterprises (SMEs). SMEs can expand their businesses with the obtained capital by offering and selling shares after registration on the PLB.

When the business grows, it can be entered as a listed company on the Main Board. Three Registration Advisory Companies⁽⁴⁾ have been allowed by the Commission to advise the companies on registration and offering shares in the PLB.

Good Things

If the company becomes a listed company, public recognition and trust will be enhanced. Being a listed company can lead to more responsible and good corporate governance practices and transparency in the interests of not only investors but also market participants. Only then will we be able to invite foreign investment. Under Myanmar's Union Tax Law 2022–2023 FY, companies listed on the Yangon Stock Exchange will also receive a 5% commercial tax exemption.

In summary, the development of the capital market and the growth of companies are mutually beneficial. The sustainable development of each private business shall increase the job opportunities in the country, reduce the high rate of unemployment, reach the standard of living together with raising per capita income, and even domestically wherever will achieve the benefits such

as being able to teach and learn by handover the technical know-how and industries.

Therefore, to promote the private business sector of Myanmar, it is good news that companies based on their business size can offer and sell their shares on the Main Board and Pre-Listing Board of the Yangon Stock Exchange.

Mel Eaim Kaung

Reference

1. Securities Exchange Law (2013)
2. Announcements of the Securities and Exchange Commission of Myanmar (2/2016, 7/2016, 2/2018) (1), (2)
3. Notifications of the Securities and Exchange Commission of Myanmar (1/2022, 1/2023)
4. <https://www.cooleygo.com/glossary/public-offering/>
5. <https://ysx-mm.com/pre-listing-board/about-plb/>
6. <https://ysx-mm.com/main-board/listing-company/> (3)
7. <https://ysx-mm.com/pre-listing-board/registration-adviser/> (4)

Activities of the Commission Office

Operational Activities

- ◆ Uploading monthly trading data for Government Securities in the secondary market on the SECM website
- ◆ Participating in the 12th Director Certification Program (DCP) training of MIOD
- ◆ Inspection of one securities company
- ◆ Lecture at the Online Basic Stock Investment Training Course (001/2024) arranged by the Yangon Stock Exchange

Action related to the second board named as Pre Listing Board in the Yangon Stock Exchange

The commission issued the Business Operation Manual on 22 February, 2024 for initial registration applicants who aim to register with the Pre-Listing Board (PLB), registration advisers who support applicants, and securities companies that underwrite shares to perform their business operations effectively.

The following three companies were approved to be appointed as registration advisers on 23 February, 2024 according to the recommendation by the Yangon Stock Exchange:

- (a) Trust Venture Partners Co., Ltd
- (b) Maximax Solution Services Co., Ltd
- (c) Myanmar Enterprise Solutions Co., Ltd

These companies will provide suggestions on the initial registration application, prepare the Recommendation Letter and the Market Value Assessment, and provide guidance on timely disclosure after registration the public companies that register in the Pre-Listing Board.

Inspection the operational Activities



Inspections of one Securities Company and the Yangon Stock Exchange were conducted by the Securities and Exchange Commission of Myanmar.

AML /CFT Knowledge Sharing



Knowledge Sharing for the reporting entities with the title AML/CFT's Policy and Procedures in the Securities Industry at the 23rd Dialogue Meeting of the Securities and Exchange of Myanmar.

Human Resource Development

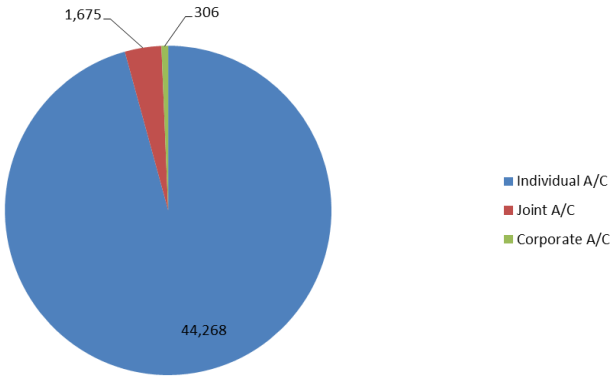
The Officials from the SECM Office attended the following local and overseas webinars, meetings, and trainings:

- ◆ Finance for Directors Program (Online)
- ◆ 12th Director Certification Program (DCP)
- ◆ AMRO Tool Time Tutorial, "Corporate Debt-at-Risk (Online)
- ◆ 1st ACMF Deputies Meeting (Online)
- ◆ WC-CMD and ACMF & WC-CMD Joint Meeting (Online)

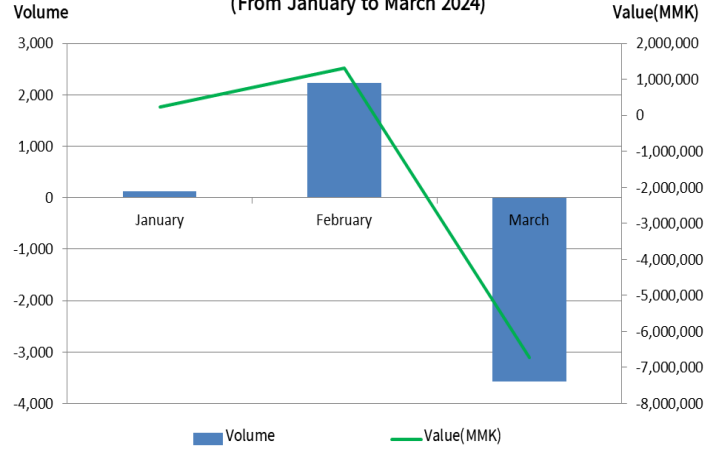
Market Data

Opening the Securities Account and Trading Data for Foreigners' Participation

**Total Customer Account
(From January to March 2024)**

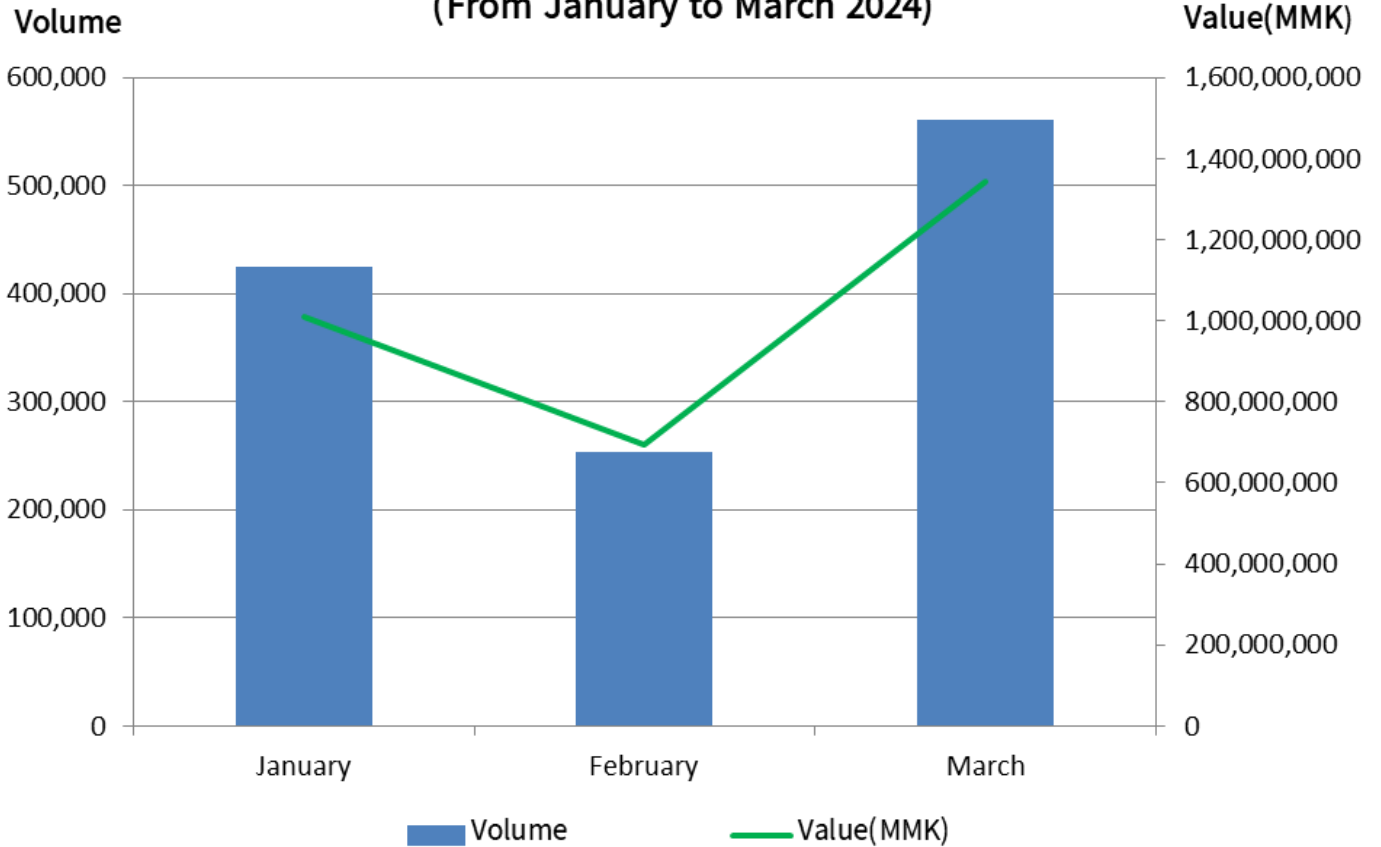


**Trading Data for Foreigner's Participation
(From January to March 2024)**



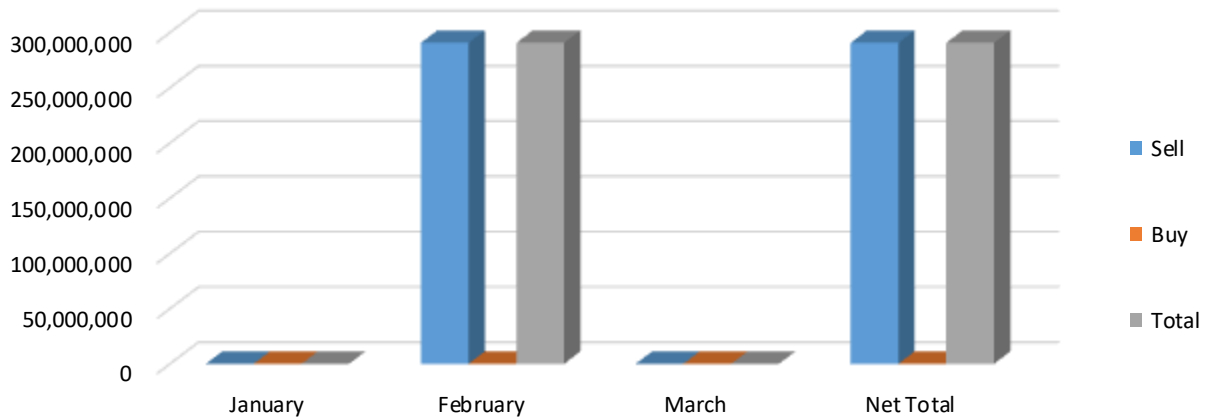
Stocks Trading Data of Listed Companies

**Stocks Trading Data of 8 Listed Companies
(From January to March 2024)**



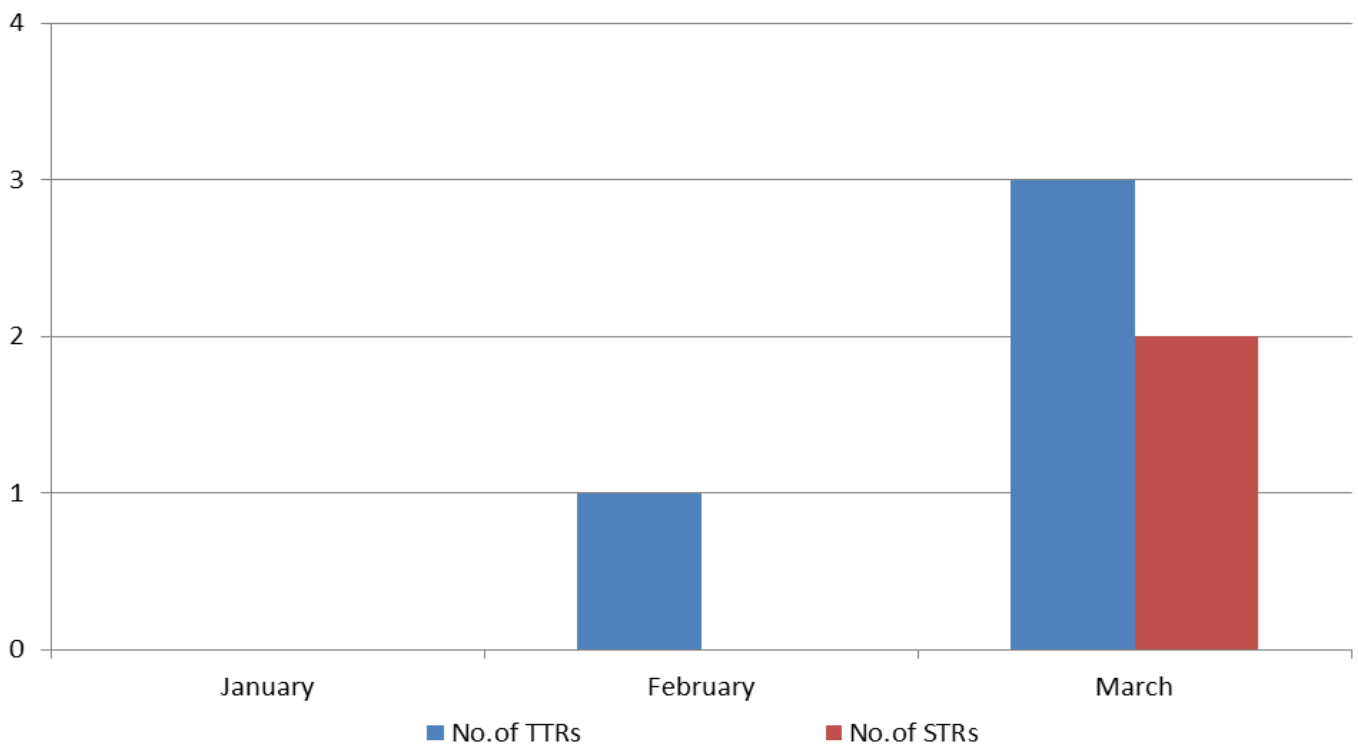
Trading Data of Government Securities

Trading Data of the Government T.Bond in Secondary Market
(From January to March 2024)



Market Participation

AML-CFT report to MFIU by Securities Company
(From January to March 2024)



Sustainable Bond Market Posts Strong Growth in ASEAN+3 Economies

The sustainable bond market of member economies of the Association of Southeast Asian Nations (ASEAN), the People's Republic of China (PRC), Japan, and the Republic of Korea expanded 29.3% last year, outpacing the 21% growth of the global and euro-area sustainable bond markets, according to a report by the Asian Development Bank (ADB).

Outstanding sustainable bonds in these economies, known collectively as ASEAN+3, reached \$798.7 billion by the end of 2023 and accounted for around 20% of global sustainable bonds, according to the latest edition of [Asia Bond Monitor](#), released on March 21, 2023.

The global and euro-area sustainable bond markets reached \$4.0 trillion and \$1.5 trillion, respectively, by the end of 2023. Sustainable bonds are bond instruments that are used to finance projects and programs with environmental and social benefits.

“ASEAN sustainable bond issuance made up a higher share of local currency financing and long-term financing in 2023, driven by public sector participation,” said ADB Chief Economist Albert Park. “The public sector’s participation not only adds to the supply of sustainable bonds, but also serves as a model case for the private sector and helps set a long-term pricing benchmark for these bonds in domestic markets.”

ASEAN markets recorded \$19.1 billion of sustainable bond issuance last year, accounting for 7.9% of aggregated issuance in ASEAN+3 sustainable bond markets. This compares with ASEAN’s 2.5% share of ASEAN+3’s general bond issuance.

ASEAN recorded a higher share of local currency financing and long-term financing in sustainable bond issuance, with 80.6% of sustainable bond issuance denominated in local

currency and a size-weighted average tenor of 14 years 8 months. Financial conditions in emerging East Asia improved marginally between 1 December and 29 February, as the United States (US) Federal Reserve was expected to ease its monetary stance, while inflation continued to moderate and most economies posted sound economic growth in the region. Equity markets gained in 6 of 9 regional economies, and a total of \$17.4 billion in net foreign equity inflows was recorded. Emerging East Asia includes the member economies of ASEAN; the PRC; Hong Kong, China; and the Republic of Korea.

Emerging East Asia’s local currency bond market grew 2.5% in the final quarter of last year to \$25.2 trillion. Overall bond issuance contracted 4.8% from the previous quarter, as most governments had fulfilled their funding requirements in prior quarters, while the PRC led a contraction in corporate borrowing amid a weak economic outlook.

The latest issue of *Asia Bond Monitor* features the first bond market summary for the Lao People’s Democratic Republic. It also presents the results of the *AsianBondsOnline* 2023 Bond Market Liquidity Survey. The survey notes improved liquidity conditions last year, narrowed bid-ask spreads, and an increase in transaction sizes in both government and corporate bonds.

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty.

Policy Team

Source: <https://www.adb.org/news/sustainable-bond-market-posts-strong-growth-asean3-economies>

The ASEAN Capital Markets Forum (ACMF) is a high-level grouping of capital market regulators from all 10 ASEAN jurisdictions, namely Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. The current Chair of the ACMF is the Lao Securities Commission Office (LSCO), and the next Chair will be the Securities Commission Malaysia (SC) in 2025.

ACMF was established in 2004 under the auspices of the ASEAN Finance Ministers with the primary responsibility of developing deep, liquid and integrated regional capital markets. Since then, it has been its 20th anniversary on March 15, 2024. On that day, the 40th ACMF Chairs' Meeting was hosted by LSCO in the historic city of Luang Prabang, a UNESCO World Heritage Site in Laos.

The meeting noted the status of the Implementation of the ACMF Roadmap for ASEAN Sustainable Capital Markets (2020–2025) (the “ACMF Roadmap”), with progress of the fifteen ACMF Roadmap Recommendations expected to be over 90% within 2024. The ACMF likewise looks forward to commencing the end-term assessment of the ACMF Action Plan 2021–2025 and the development of the next version of the ACMF Action Plan 2026–2030. The ASEAN Green, Social, Sustainability and Sustainability Linked Bond Standards were introduced in 2017, 2018 and 2022, respectively. As of February 12, 2024, US\$47.46 billion in ASEAN-labeled Bonds and Sukuk (Islamic Bonds) have been issued.

In addition, the ACMF welcomed updates on the development of the ASEAN Taxonomy for Sustainable Finance (the “ASEAN Taxonomy”)

particularly the positive results of the stakeholder consultation for Version 2, which came into effect in February 2024, taking into account the consultation feedback. The meeting reaffirmed its continuing support for the work of the ASEAN Taxonomy Board (ATB), including the development of Version 3 of the ASEAN Taxonomy, as the ATB works to complete the technical screening criteria of the Taxonomy’s focus sectors in phases. To this end, the ACMF decided to re-appoint the Brunei Darussalam Central Bank (BDCB) and Securities Commission Malaysia (SCM) as the ACMF’s representatives for the ATB’s membership term of March 31, 2024 to March 30, 2026.

To maintain the pace of progress in line with the ACMF Roadmap, the meeting welcomed positive responses from regional and International stakeholders to the ASEAN Transition Finance Guidance Version 1 (ATFG), which is complementary to the ASEAN Taxonomy for Sustainable Finance. The meeting endorsed a stakeholder consultation exercise in connection with the ATFG as well as the continued development of future iterations.

The ACMF continued its ongoing collaboration with the International Financial Reporting Standards (IFRS) and International Sustainability Standards Board (ISSB), with a high-level dialogue between the two bodies on the development of sustainability reporting in the region. At the same time, the one meeting endorsed the 2024 work plan for capacity building on sustainability reporting. The meeting also noted the launch of the Sustainability Innovation Lab, based in Singapore, a joint effort by the ISSB and

the Global Reporting Initiative (GRI), intended to advance regional capabilities in sustainability reporting, especially for companies that report on a multi-stakeholder basis.

The meeting also noted the launch of the Sustainability Innovation Lab, based in Singapore, a joint effort by the ISSB and the Global Reporting Initiative (GRI), intended to advance regional capabilities in sustainability reporting, especially for companies that report on a multi-stakeholder basis.

To address industry feedback and further encourage the cross-border offerings of funds under the ASEAN Collective Investment Schemes (CIS) framework, the ACMF endorsed the development of the Guidance Notes on Disclosure Requirements for Wrapper of Prospectuses for Cross-Border Offerings of ASEAN CIS and the holistic assessment of the ASEAN CIS framework to support the development of the next ACMF Action Plan 2026–2030. In addition, the ACMF acknowledged the commencement of the revision of the Memorandum of Understanding on Streamlined Authorisation Framework for Cross Border Public Offers of ASEAN CIS to enhance the attractiveness of the framework. Among others, the revision would allow Singapore Variable Capital Companies (VCC) as one of the permissible structures for a Qualifying CIS under this framework.

The ACMF noted the continuing initiatives to build capacity and encourage cooperation through the ACMF Market Development Program, which includes a secondment and capacity training program for staff of ACMF members as well as collaboration with external parties and technical

experts. The ACMF likewise looks forward to the implementation of the revised ASEAN Corporate Governance Scorecard (ACGS), with an Assessment taking place within 2024 and results expected to be announced in 2025.

The Meeting also continued its networking and exchange of experiences on Digital Assets among members. The Monetary Authority of Singapore (MAS) updated on their regulatory measures for Digital Payment Token Services in Singapore; while the SCM provided an update on Digital Asset Market Developments in Malaysia.

The ACMF expressed its gratitude to the Asian Development Bank (ADB) for its twenty (20) years of consistent and fruitful support of the ACMF through technical assistance and expert guidance to foster capital market development throughout the ASEAN region. The meeting also noted with deep appreciation the ADB's commitment to continued and enhanced support for the work of the ACMF.

The ACMF also thanked the Sustainable Finance Institute Asia (SFIA) for its support and for providing its expertise, resources, and network to enable the ACMF to continue making significant progress in its sustainability journey.

Policy Team

Reference

MEDIA RELEASE

15 March 2024

The ACMF at 20: Enhancing Connectivity, Sustainability and Resilience across the ASEAN Capital Markets.

www.theacmf.org.