



**Dear Readers,**

Welcome to a new edition of our newsletter.

### **Counter-Terrorism Law amendment introduces substantial fines for organisations**

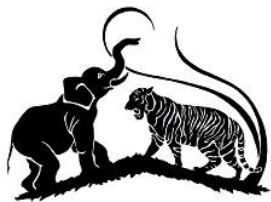
On 26 September 2024, the SAC decreed an amendment to the Counter-Terrorism Law which introduces substantial fines ranging from MMK 20,000,000 to MMK 300,000,000 (USD 9,524 to USD 142,857 at the Central Bank rate) for companies and organisations (e.g., banks, NGOs, INGOs, telecom providers) that fail to comply with a prohibition or duty to act imposed by rules, regulations, terms, notifications, orders, directives and procedures issued under the Counter-Terrorism Law.

Our understanding is that this fine may be imposed on the organisation in addition to the criminal penalty (imprisonment of up to 2 years, fine up to MMK 10,000,000, or both) to which the organisation's officer responsible for the offence is personally liable.

The SAC decreed the [Counter-Terrorism Rules](#) ("**Rules**") on 1 March 2023.

As the Rules focus primarily on telling the Counter-Terrorism Central Committee ("**Central Committee**"), its working committees, the investigation teams and the prevention and suppression forces what to do, it is not always clear-cut what responsibilities they impose on private companies and organisations. However, we think that among others, the following important prohibitions and duties to act may be deduced from the Rules:

- **Rule 11 (a):** Compliance with control and prohibition orders issued by the Central Committee to prevent the laundering of "terrorist money" and to prohibit financial services for such money.
- **Rules 69 (a), (c), 71:** Compliance with prohibition and freezing orders issued by the Working Committee to Prevent and Suppress Terrorism ("**Prevention Working Committee**") to a person under investigation or in possession of evidence or to a bank or financial institution.
- **Rule 69 (b):** Compliance with search and seizure orders issued by the Prevention Working Committee to a bank or financial institution.
- **Rule 75 (a):** INGOs/NGOs must cooperate in regular and random inspections of their money and assets by the inspection team established by the Prevention Working Committee.



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- **Rule 75 (c):** Banks, financial institutions and business organisations must monitor and report “terrorist money” to prevent it from being laundered, if so requested by the Prevention Working Committee.
- **Rule 76 (b):** Banks and financial institutions must engage with the investigation team if contacted by it for suspicion of money under a freezing order being deposited with it.
- **Rule 76 (f):** Persons involved in banks, financial institutions and business organisations that are suspected of being used for terrorism financing must cooperate if they are interrogated by an investigation team or prevention and suppression force.
- **Rule 80 (d):** Telecommunications business license holders may not refuse to cut off, limit, or intercept electronic communications if so requested by an investigation team or prevention and suppression force with permission from the Prevention Working Committee.

The Central Committee on [2 September 2024](#) declared the AA, MNDAA and TNLA as terrorist organisations, in addition to the ARSA and the CRPH, NUG and PDF and their subordinates.

*CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED*

**Republic of the Union of Myanmar**  
**State Administration Council**  
**Law Amending the Counter-Terrorism Law for the Second Time**  
**(State Administration Council Law No. 55/2024)**  
**1386, 9<sup>th</sup> Waning Day of Tawthalin**  
**(26 September 2024)**

The State Administration Council has enacted this law according to article 419 of the constitution of the Republic of the Union of Myanmar.

1. This law shall be known as Law Amending the Counter-Terrorism Law for the Second Time.
2. Section 6 (d) Counter-Terrorism Law shall be replaced as follows:  
“(d) To adopt measures for the prevention, elimination and destruction of biological, chemical and nuclear weapons and weapons of mass destruction containing radioactive materials that threaten international peace, security and stability, and for



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the implementation of resolutions of the United Nations Security Council on financial measures related to the financing of the proliferation of weapons of mass destruction.”

3. Section 53 Counter-Terrorism Law shall be replaced as follows:

“53. Any person violating any prohibition or failing to comply with any duty to act referred to in rules, regulations, terms [*literally, “disciplines”*], notifications, orders, directives and procedures issued under this law shall be punished with imprisonment not exceeding 2 years or a fine not exceeding MMK 10,000,000 or both. If the offence is committed by a company or organisation, the company or organisation shall be fined from a minimum of MMK 20,000,000 to a maximum of MMK 300,000,000.”

I hereby sign according to article 419 of the constitution of the Republic of the Union of Myanmar.

(Signature) Min Aung Hlaing  
Senior General  
Chairman  
State Administration Council

We hope that you have found this information useful.

Sebastian Pawlita  
Managing Director



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Lincoln Legal Services (Myanmar) Limited provides the full range of legal and tax advisory and compliance work required by investors. We pride ourselves in offering result-oriented work, high dependability and a fast response time at very competitive prices. Please do not hesitate to contact us:

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