

New 15% Conversion Rate: CBM Reduces Mandatory Export Earning Conversion to 15%

The Central Bank of Myanmar (“CBM”) has issued **Notification No. 2/2026** on 7 January 2026. This notification introduces a significant relaxation of the foreign exchange rules first established in 2022. Effectively, the mandatory conversion requirement for export earnings has been reduced from **25%** which set out in **Notification No. 37/ 2024** dated on August 7, 2024 to **15%** (**Notification No. 2/ 2026**). The new regulation is effective retroactively from **January 1, 2026**.

Key changes and new requirements

Under the new framework, the mandatory conversion ratio has shifted from **25:75** to **15:85**.

Requirement Category	Recent Previous Notification (Notification No. 37/2024)	New Notification (Notification No. 2/ 2026)
Mandatory Conversion	25% of earnings into MMK	15% of earnings into MMK
Official Rate Usage	CBM Reference Rate	CBM Reference Rate
Retained Balance	75% (Online trading rate)	85% (Online trading rate)
Effective Date	August 7, 2024	January 1, 2026

Historical Timeline of Relaxations

To provide a clearer picture of the regulatory trajectory, the following table tracks the gradual easing of foreign exchange controls since their inception:

CBM Notifications	Date of Issuance	Mandatory Conversion Rate
Notification No. 36/ 2022	August 5, 2022	65%
Notification No. 15/ 2023	July 13, 2023	50%
Notification No. 26/ 2023	December 6, 2023	35%

Notification No. 37/ 2024	August 7, 2024	25%
Notification No. 2/ 2026	January 1, 2026	15%

Compliance Reminder: Deposit Deadlines & Penalties

While the conversion percentage has decreased, the enforcement of deposit deadlines remains strict. Failure to comply with these timelines can lead to severe administrative and legal consequences.

As per the Department of Trade's **Public Announcement** (dated **October 6, 2023**), export earnings must be deposited into an AD-licensed bank account within:

- 45 Days: For exports to Asian countries.
- 90 Days: For exports to any other countries.

The Ministry of Commerce and CBM follow a multi-step disciplinary process:

- **Blacklisting:** CBM sends a list of non-compliant companies to the Ministry of Commerce and AD Banks.
- **Notification:** The Department of Trade informs the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) to urge the company in order to deposit the earnings.
- **Registration Suspension:** The Department of Trade will suspend the Certificate of Exporter/Importer Registration of companies that do not deposit export earnings within two weeks after informing the companies.
- **Reinstatement:** If CBM informs the list of companies whose export earnings have been received, the Department of Trade unsusponds Certificate of Exporter Importer Registration.

Important Notice: For the companies that do not deposit export earnings, action will be taken according to the above measures and CBM will take actions against the companies that do not

deposit export earnings even after the suspension of the Certificate of Exporter Importer Registration, according to **Section 42-A** of the **Foreign Exchange Management Law**.

Note on Retroactivity: Although Notification No. 2/2026 issued by CBM was announced on January 7, 2026, it is effective from **January 1, 2026**. Exporters who received proceeds during this interim period are advised to coordinate with their respective AD banks to ensure that conversion ratios are applied correctly in accordance with the retroactive effective date.

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