

**Signing of Grant Agreement with JICA:
The Project for the Development of Financial Market Infrastructures**

8th August, 2018

On 8th August, the Central Bank of Myanmar signed a grant agreement with the Japan International Cooperation Agency (JICA) on a grant aid of up to 5.594 billion Japanese yen for the development of financial market infrastructures.

The project will upgrade the functioning of Central Bank of Myanmar Financial Network System (CBM-NET). CBM-NET is a centralized, real-time interbank fund and securities settlement system, established through an earlier grant aid in 2013 to develop ICT System for Central Banking in Myanmar.

Accompanying Myanmar's socioeconomic developments, there has been a rise in demand for credit by private sector, an expanding inflow of foreign investments, and a gradual increase in the use of financial services by individuals, resulting in larger volumes of funds and data handled by financial institutions. With the rapid increase in diverse types of transactions, as exemplified in the recent advent of mobile banking services and retail payments, there has been a growing need to improve efficiency of payment services, utilizing straight-through processing between CBM-NET and core banking systems of commercial banks. It is also necessary to respond to global trends, such as promotion of cross-border transactions and improving the resiliency of national payment systems.

By upgrading the functions of CBM-NET, the new project funded by this grant will enable CBM-NET to address increasing need to handle a diverse range of financial transactions and to conform to international standards. The enhanced CBM-NET will eventually contribute to the stability of the financial system of Myanmar. A modernized central fund settlement and payment system will also facilitate the implementation of monetary policy in Myanmar.

In addition to this grant aid project, JICA is supporting the Central Bank of Myanmar in institutional capacity building in its operation and maintenance of national payment system.