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Title: Risks and Considerations for Businesses and Individuals with Exposure to Entities Responsible for Undermining Democratic Processes, Facilitating Corruption, and Committing Human Rights Abuses in Burma (Myanmar)¹

SUMMARY

On February 1, 2021, Burma’s military (also known as the Tatmadaw)² overthrew the country’s democratically elected civilian government, reestablishing full military rule in Burma (Myanmar). The military has unjustly arrested leaders of the democratically elected government, cut off utilities and travel, and committed serious human rights abuses and other abuses against individuals in Burma, including violently suppressing peaceful protests. Additionally, the military regime has targeted the labor union movement, arrested numerous union leaders and members, and declared 16 labor unions to be illegal. These heinous acts are a rejection of the will of the people of Burma, as expressed in their November 2020 elections. Further, the coup and subsequent abuses committed by the military have fundamentally changed the direction of the economic and business environment in Burma, reversing the modest gains achieved since the country held its first parliamentary elections in 2011, and resulting in a more opaque business environment in which the military can draw from multiple sources of revenue to support its operations without civilian oversight.

According to the UN Fact Finding Mission in 2018:

No business enterprise active in Myanmar or trading with or investing in businesses in Myanmar should enter into an economic or financial relationship with the security forces of Myanmar, in particular the Tatmadaw, or any enterprise owned or controlled by them or their individual members, until and unless they are re-structured and transformed as recommended by the Mission.³

¹ This advisory is explanatory only and does not have the force of law. It does not supplement or modify statutory authorities, executive orders, or regulations. It is not intended to be, nor should it be interpreted as, comprehensive or as imposing requirements under U.S. law, drawing any legal conclusions about specific fact scenarios regarding particular businesses or entities, or otherwise addressing any particular requirements under applicable law. Its sole intent is to provide information to businesses and individuals that they may consider in assessing their potential exposure to involvement with entities engaged in human rights abuses, as part of a risk-based approach to due diligence. Please see the legally binding provisions cited and other relevant legal authorities.

² For terminology throughout this advisory: the Tatmadaw refers to the military of Burma; the military regime refers to the military leadership who overthrew the democratically elected government; and the military regime refers to the military-led government.

³ A/HRC/39/CRP.2, Report of the detailed findings of the Independent International Fact-Finding Mission on Myanmar, 17 September 2018.

The U.S. Departments of State, the Treasury, Commerce, Labor, Homeland Security and the Office of the U.S. Trade Representative are issuing this advisory to inform individuals, businesses, financial institutions, and other persons, including investors, consultants, and research service providers (hereafter “businesses and individuals”) of the heightened risks associated with doing business in the country, and in particular with the military regime, which is involved in human rights abuses. Additionally, businesses and individuals should be wary of the associated illicit finance risks as well as reputational and legal risks of conducting business and utilizing supply chains under military control in Burma. The military regime’s government is undermining democratic processes and the rule of law, facilitating corruption, and committing serious human rights abuses; these actions exacerbate risks to foreign businesses and individuals operating in Burma or providing financial services to Burmese businesses.

The specific entities and sectors of greatest concern within Burma include:

- State-owned enterprises
- Gems and precious metals
- Real-estate and construction projects
- Arms, military equipment, and related activity

These entities and sectors have been identified as primary industries providing economic resources for Burma’s military regime. Many businesses and individuals associated with these entities and sectors are subject to various restrictions imposed by several countries and international organizations in addition to the United States, including the European Union, Australia, Canada, New Zealand, the Republic of Korea, and the United Kingdom. Additionally, the UN General Assembly voted in favor of a non-binding resolution restricting the sale of arms into Burma.

Businesses and individuals with potential exposure to, or involvement in operations or supply chains tied to, the military regime that do not conduct appropriate due diligence run the risk of engaging in conduct that may expose them to significant reputational, financial, and legal risks, including violations of U.S. anti-money laundering laws and sanctions.

Additionally, Burma faces significant money laundering risks and gaps in implementing its anti-money laundering (AML) and counter financing of terrorism (CFT) legal framework. The international financial sector should recognize that deficiencies within Burma’s financial sector and lack of adequate measures to address its money laundering risks led the Financial Action Task Force (FATF) to publicly identify Burma in 2020 on the list of jurisdictions under increased monitoring.⁴ These risks have likely only increased since the coup and as such, financial institutions are encouraged to reconsider Burma’s deficiencies in their risk analysis. In 2003, the Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN) designated Burma as a jurisdiction of primary laundering concern due to the lack of effective anti-money laundering controls throughout its financial sector. Although this designation was

⁴ FATF places a jurisdiction under increased monitoring when the country has committed to resolve the identified strategic deficiencies within agreed timeframes and is subject to increased monitoring. For the latest information about Burma’s status in the FATF monitoring process visit the [FATF’s website](#).

made subject to a grant of conditional exception in 2016,⁵ the return of the military regime will likely reverse the progress made on anti-money laundering controls that led to the 2016 exception.

Finally, a number of goods imported from Burma into the United States have been tied to labor abuses including child and forced labor. According to the 2020 release of the Department of Labor's *List of Goods Produced by Child Labor or Forced Labor* and *List of Products Produced by Forced or Indentured Child Labor*, there are 14 goods from Burma with evidence of production by child labor, forced labor, and/or forced child labor.⁶

I. STATE-OWNED ENTERPRISES BENEFITING THE MILITARY

A 2018 report by the Organization for Economic Co-operation and Development (OECD) found that corruption is disproportionately higher in the oil and gas, mining, postal, energy, and transportation and logistics sectors worldwide due to the heavy involvement of state and military entities as well as their high transactional value.⁷ Burma's junta-controlled state-owned enterprises (SOEs) play a dominant role in these sectors of the economy and are responsible for generating about half of the regime revenue and spending half of the regime budget.

The largest of these SOEs are in the natural resources sector and include but are not limited to: Myanma Oil and Gas Enterprise (MOGE); Myanmar Mining Enterprises 1, 2, and 3; Myanma Gems Enterprise; and Myanma Timber Enterprise (MTE). Reports also indicate that state-owned Myanma Posts and Telecommunications (MPT) actively collaborates with the regime's surveillance program. MGE and MTE were designated by OFAC under Executive Order (E.O.) 14014 in April 2021.⁸

The business community should further review and, as appropriate, consider updating their risk assessments associated with continuing to do business with Burma's other SOEs as well. Burma's SOEs not only generate revenue for a military regime that is responsible for lethal attacks against the people of Burma, but many of them also are subject to allegations of corruption, child and forced labor, surveillance, and other human and labor rights abuses.

Corruption – In 2018, the Burma National Risk Assessment concluded that corruption, including bribery, generates approximately 63 percent of the estimated \$15 billion in annual criminal illicit proceeds in the country. Even excluding criminal activities in the

⁵ 81 Fed. Reg. 71986 (Oct. 19, 2016).

⁶ These are bamboo, beans (green, soy, yellow), bricks, garments, jade, palm thatch, rice, rubber, rubies, sesame, shrimp, sugarcane, sunflowers, and teak. More information at <https://www.dol.gov/agencies/ilab/resources/reports/child-labor/burma>

⁷ For additional information, see the OECD report *State-Owned Enterprises and Corruption: What are the risks and what can be done?* at <https://www.oecd.org/corporate/SOEs-and-corruption-what-are-the-risks-and-what-can-be-done-highlights.pdf>

⁸ Executive Order 14014, "Blocking Property with Respect to the Situation in Burma" authorizes the Department of the Treasury, in consultation with the Department of State, to impose sanctions on foreign individuals and entities identified, among other things, to be responsible for the undermining of democratic processes or institutions in Burma or to operate in the defense sector of Burma. More information at <https://www.federalregister.gov/documents/2021/02/12/2021-03139/blocking-property-with-respect-to-the-situation-in-burma>

country, the regime's monopolization of resources and lack of transparency contributes to the significant corruption-related risks within the country's economy.

Forced Labor and Child Labor – Burmese SOEs are significantly involved in industries that have been tied to human trafficking, child and forced labor, and the targeting of labor unions. In particular, teak, rubies and jade have been identified as goods made in Burma with forced labor and child labor; each of these goods are imported into the United States; and each has significant SOE involvement.

Surveillance and Internet Freedom Restrictions – In the months following the military coup, the regime seized control of telecommunications infrastructure, blocking social media, stripping the licenses of independent online news outlets, instituting partial and complete internet shutdowns, and forcing service providers to hand over personal data. Telecommunications and internet surveillance have contributed to violent crackdowns on the people of Burma, including reports of physical assaults and enforced disappearances in retaliation for their online and offline activities.

Other Human Rights Abuses – Aside from the human rights abuses during and after the military coup in February 2021, the military faces longstanding allegations of serious human rights abuses against members of multiple minority groups in Burma, including most notably in Kachin, Shan, and Rakhine States.⁹

Businesses and individuals involved in dealings with Burma's SOEs run a high risk of furthering corruption within Burma. Considering the risks noted above, businesses and individuals involved in dealings with SOEs in Burma should conduct appropriate due diligence to ensure they are not furthering corruption within Burma, supporting child or forced labor, or contributing to arbitrary or unlawful surveillance practices, or any other serious human rights abuses.

II. GEMS AND PRECIOUS METALS

Gems and precious metals generate billions of dollars of exports in Burma's economy and accounted for nearly half of the country's GDP in 2015, the last year for which credible data is available. However, because of the lack of regulation, transparency, and accountability, the sector is rife with potential for money laundering, corruption, and human rights abuses, including forced labor. These risks are only heightened by the military coup, consolidating both the industry and its oversight under military rule.

The mutual evaluation of Burma by the Asia Pacific Group on Money Laundering (APG), which tracks Burma's compliance with the FATF Standards on combating money laundering and the countering of financing of terrorism and proliferation of weapons of mass destruction, identified

⁹ The Department of Labor's 2020 *Findings on the Worst Forms of Child Labor* report assessed Burma as having made no advancement because it demonstrated a practice of being complicit in the use of forced child labor. The Tatmadaw continued to force civilians, including children, to work in conflict areas, including Rakhine. The Tatmadaw has perpetrated violence against and unlawfully imprisoned trade unionists. Additionally, as for the repression of trade unionists, the military regime has targeted the labor union movement, arrested numerous union leaders and members, and declared 16 labor unions to be illegal.

several concerns in the gems and precious metals industries. These include the significant involvement of politically exposed persons (PEPs) and SOEs, insufficient anti-money laundering controls, corruption, and the reliance on cash-based transactions with poor record-keeping. Additionally, gem industries in Burma, specifically jade and rubies, were identified by the Department of Labor's *List of Goods Produced by Child Labor or Forced Labor*¹⁰ as utilizing forced labor and child labor.

Further compounding these inherent risks identified by the FATF and the Department of Labor in Burma's economy, the 2019 UN Fact Finding Mission report found that the military controlled a large portion of the gems and precious metal sector through two military holding companies, Myanma Economic Holdings Limited (MEHL) and Myanmar Economic Corporation (MEC), and their numerous subsidiaries, which has benefited senior military leaders involved in serious human rights abuse and other abuses. Furthermore, the UN Fact Finding Mission report found that the military has committed gross violations of human rights, including involving forced labor and sexual violence, in connection with their business activities in the gems industry.

In March 2021, MEHL and MEC¹¹ were designated by the Office of Foreign Assets Control at the U.S. Department of the Treasury (OFAC) under E.O. 14014 in response to the coup and the military's abuses throughout Burma, which was quickly followed by the additional designations of Myanma Gems Enterprise (MGE) and Myanmar Pearl Enterprise (MPE) in April 2021. As a result of these designations, all property and interests in property of these entities that are in the United States or are in the possession or control of a U.S. person are blocked. Unless authorized by OFAC, all transactions by U.S. persons, wherever located, or within (or transiting) the United States that involve any property or interests in property of the designated persons have been prohibited since the relevant designations.¹²

Given the insufficient reporting requirements in Burma for cross-border transfers of goods and funds, the U.S. government recommends that gem, pearl, and precious metal importers undertake enhanced due diligence to better understand their supply chains and to ensure they are not sourcing from or brokering through military-owned or -operated entities, even if their supply chain seems to be completely outside of Burma. A supply chain that, on paper, does not refer to or otherwise appear to touch Burma may still involve links in which the military is the ultimate beneficiary. For example, jade, rubies, and sapphires from Burma have been previously smuggled into countries like China and Thailand to be cut and sold on the international markets as "made in Thailand," or "made in Hong Kong" and most lab-test certificates do not often show which company profited from their sale. It is the responsibility of businesses and individuals to ensure their sourcing is consistent with what is being reported from vendors and suppliers to avoid potential liability for sanctions violations.

¹⁰ List of Goods Produced by Child Labor or Forced Labor. See <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>

¹¹ MEHL and MEC were also added to the Bureau of Industry and Security's Entity List. See Annex I.

¹² For more information, the U.S. Department of the Treasury encourages you to visit the OFAC website on Burma-related sanctions at: <https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/burma>.

III. REAL ESTATE AND CONSTRUCTION PROJECTS BENEFITING THE MILITARY

Burma lacks both the necessary government regulation and oversight, and the strong banking and financial sector to adequately monitor for money laundering risks in the real estate, development, and construction sectors. Historically, the military has seized land, forced evictions, and displaced peoples while offering little to no compensation.¹³ Additionally, the large presence of foreign-owned properties heightens the risks to legitimate real estate agents and developers of knowingly or unknowingly engaging in cross-border money laundering.

The return of the military regime exacerbates these risks, as the military has significant interests in the real estate sector as an owner, lessor, and seller of properties within the country. The 2019 UN Fact Finding Mission reported receiving credible information that the Pynmabin Industrial Zone, the Golden City residential development in Rangoon, and the Sule Shangri-La Hotel and Sule Square Commercial Project are owned or controlled by the military. The report also highlighted that the military is potentially receiving payments through MEC and MEHL from foreign companies that rent spaces to maintain a physical presence in Burma. MEHL and MEC were also identified as joint venture partners for foreign firms looking to develop and build on properties within Burma.

U.S. businesses maintaining a physical presence in Burma, including leasing or purchasing facilities for corporate offices, retail, wholesale, warehousing, and related physical infrastructure, should investigate as appropriate to determine whether payments are benefiting designated entities, and should take appropriate measures to ensure their compliance with applicable requirements related to U.S. sanctions and money laundering controls. U.S. businesses maintaining a physical presence are also encouraged to conduct heightened due diligence around land tenure to identify, mitigate, and redress issues regarding possible land seizures.

Warning signs of real estate-based money laundering include, but are not limited to:

- Significant and unexplained geographic distance between agent, customer, and property.
- Customers with unclear true beneficial ownership or controlling interest.
- High-value cash payments.
- Counterparties, government or otherwise, that are not subject to monitoring or supervision.
- The speed of the transaction.
- Successive transactions.
- Introduction of unknown or substitute parties at the late stage of a transaction.
- Third party vehicles (e.g., newly established corporations) used to obscure the ownership of the buyer.
- Extremely over- or under-valued transactions.

In addition, the Department of Labor's reporting on goods and products produced by child labor, forced labor, and/or forced child labor in Burma includes numerous construction materials, such

¹³ In 2016, a Burmese government official, citing the finding of a parliamentary committee, indicated as many as two million acres of land across Burma could be considered confiscated.

as bamboo, bricks, palm thatch, and teak.¹⁴ Businesses and individuals involved in construction and development in Burma involving these materials should take the necessary steps to mitigate risks of exposure to these human rights abuses.

If any of these warning signs are detected, businesses and individuals are encouraged to conduct increased know-your-customer practices to ensure that customers provide satisfactory responses to address concerns and to file suspicious transaction reports to the relevant authorities as required. For U.S.-based financial institutions and money service businesses, suspicious activity reports should be submitted to FinCEN, the financial intelligence unit of the United States.

IV. ARMS, MILITARY EQUIPMENT, AND RELATED ACTIVITY

The 2018 APG Myanmar (Burma) Mutual Evaluation found that arms trafficking and the illegal arms trade were major issues in Burma, indicating the involvement of military-affiliated militias, ethnic armed organizations, transnational organized crime groups, and corrupt officials. This has only worsened with the military coup.

In response, the UN General Assembly adopted a resolution on June 18, 2021, calling for a stop to the flow of arms to Burma, while also urging the military to restore the democratically elected government. The United States supported this resolution and encourages U.S. businesses and individuals to implement the screening measures necessary to ensure they do not facilitate trade or transactions related to the arms and defense sectors of Burma. The United States also has the authority to implement financial sanctions targeting foreign individuals and entities operating in the defense sector of Burma through E.O. 14014 and will not hesitate to use this authority.

Countries with entities that have previously sold or transferred arms and other military equipment, including dual-use goods, to Burma and have not subsequently enacted arms embargos include China, India, Israel, Japan, Democratic People's Republic of Korea, the Philippines, Russia, Serbia, Singapore, South Africa, and Ukraine. These countries had previously sold or offered services related to ammunition ranging from small arms use to torpedoes and missiles, cameras and radios with military use, military grade vehicles including aircraft and automobiles, navigation and position system services for the military, and unmanned aerial vehicles with potential military uses.

In response to the February 2021 military coup, the U.S. Department of Commerce's Bureau of Industry and Security (BIS) issued a notice announcing a more restrictive review policy for certain license applications as well as several amendments imposing restrictions under the Export Administration Regulations (EAR), 15 C.F.R. Parts 730-774, on the export and reexport of items (commodities, software, and technology) subject to the EAR that are destined for Burma and/or certain entities located in Burma. Pursuant to the EAR, BIS regulates the export and reexport of U.S.-origin dual-use, purely commercial, and certain less-sensitive military items. In addition to U.S.-origin items, certain foreign-produced items are also subject to the EAR, if they meet a certain "de minimis" level of U.S.-origin content by value that is "controlled" to the destination in question (in the case of Burma, greater than 25 percent). On February 18, 2021, BIS issued a Federal Register notice announcing that it would review license applications for items destined

¹⁴ For additional information, refer to Annex 1: U.S. Department of Labor.

for Burma’s Ministry of Defense, Ministry of Home Affairs, armed forces, and security forces under a presumption of denial. BIS also suspended the availability of four license exceptions for items destined for Burma.

On March 8, 2021, BIS implemented new restrictions on Burma under the EAR, moving the country to a more restrictive country group (Country Group D:1), and subjecting it to “military end use” and “military end user” controls. On the same day, BIS added to the Entity List (Supp. No. 4 to Part 744 of the EAR)¹⁵ four entities—a military services entity and a security services entity responsible for the coup, and two commercial entities that are owned and operated by the military services entity. In a July 6, 2021, rule, BIS added to the Entity List four commercial enterprises providing the military with material support or revenue. Additionally, on April 9, 2021, BIS added Burma to the list of destinations subject to military intelligence end-use and end-user restrictions and identified the Office of Chief of Military Security Affairs (OCMSA) and the Directorate of Signal on an illustrative list of military-intelligence end-users. Exports of all items subject to the EAR require a license to military-intelligence end users in Burma.

All regulatory amendment (and one notice) issued by the Department of Commerce in response to the military coup may be found at [Promoting Human Rights and Democracy \(doc.gov\)](#).

BIS may act against any person (individual or entity) in connection with a violation of the EAR. As set forth in the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852, criminal penalties may include up to 20 years of imprisonment and up to \$1 million in fines per violation, or both. Administrative monetary penalties may currently reach up to approximately \$309,000 per violation or twice the value of the underlying transaction, whichever is greater. In general, the administrative monetary penalty maximum is adjusted for inflation annually. In order to disclose a potential violation of export controls administered by BIS under the EAR, please send an electronic transmission to BIS_VSD_INTAKE@bis.doc.gov and the [BIS Confidential Lead/Tip Form](#) or tip line (1-800-424-2980) as appropriate. To submit a request to BIS for a license, please refer to the [BIS licensing website](#).

Actors engaged in business activities or transactions in or involving Burma should consider conducting heightened due diligence and ensure compliance with all applicable U.S. laws and regulations.

¹⁵ More information about the Entity List is found in Annex 1

Annex 1: U.S. Government Actions in Response to the Situation in Burma (Myanmar)

U.S. Department of Commerce

The Department of Commerce's [Entity List](#) identifies entities reasonably believed to be involved, or to pose a significant risk of being or becoming involved, in activities contrary to the national security or foreign policy interests of the United States. The Department of Commerce has added military and regime entities in Burma, as well as state-owned enterprises and commercial companies that provide support to Burma's military, to the [Entity List as part of a U.S. Government response to the February 2021 military coup](#). Exports, reexports, or transfers (in-country) of items subject to the EAR in which listed entities are a party to the transaction (e.g., end-user, purchaser, intermediate or ultimate consignee) require a license from the Department of Commerce's BIS. Applications for such licenses are generally reviewed under a policy of a presumption of denial.

March 8, 2021 - [Burma's Ministry of Defense, Ministry of Home Affairs, the Myanmar Economic Corporation, and Myanmar Economic Holdings Limited were added to the Entity List.](#)

July 6, 2021 - [Wanbao Mining, Ltd. Myanmar Wanbao Mining Copper, Ltd., Myanmar Yang Tse Copper, Ltd. and King Royal Technologies Co., Ltd. were added to the Entity List.](#)

U.S. Department of Homeland Security

The Forced Labor Division of U.S. Customs and Border Protection, a component of the Department of Homeland Security, investigates allegations of forced labor. Where CBP finds evidence that reasonably indicates that merchandise is being mined, produced, or manufactured in whole or in part in a foreign country with forced labor and such merchandise is being or is likely to be imported into the United States, it will issue a Withhold Release Order (WRO), preventing the merchandise from entering at our ports.

U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI) conducts criminal investigations into business entities or individuals with a nexus to the United States who participate in a venture knowingly or in reckless disregard that the venture has engaged in forced labor and who knowingly benefit, financially or by receiving anything of value, from such a forced labor venture. HSI does not require a CBP WRO to investigate a given company.

Allegations of forced labor connected to importations into the United States will be investigated through HSI's Operation FLORA (Forced Labor Outreach and Targeting Initiative), an aggressive outreach campaign to raise the level of awareness, both domestically and internationally, of trade practitioners and employers to the negative effects of forced labor practices. This strategy seeks to enable partnerships with foreign government officials, civil society organizations, and private industry to increase collaboration with these groups to identify and combat forced labor worldwide. Additionally, HSI Special Agents stationed in Thailand will work with their domestic and international law enforcement counterparts to investigate and dismantle organizations engaging in forced labor practices within the region.

Operation FLORA brings HSI's full authorities to bear through coordinated outreach and investigative efforts to secure supply chain networks to identify and rescue victims of child labor, while also prosecuting human trafficking and illicit trade networks to the fullest extent of the law.

U.S. Department of Labor

List of Goods Produced by Child Labor or Forced Labor

The Department of Labor maintains a list of goods and their source countries that it has reason to believe are produced by child labor or forced labor in violation of international standards ([the TVPRA List](#)). To date, 14 goods from Burma are included on the List for either child labor or forced labor. Garments is included for child labor. Palm thatch, sesame, shrimp, and sunflowers are included for forced labor. Bamboo, beans (green, soy, yellow), bricks, jade, rice, rubber, rubies, sugarcane, and teak are included for both child labor and forced labor.

List of Products Produced by Forced or Indentured Child Labor

The Department of Labor maintains a list of products and their source countries which it has a reasonable basis to believe are produced by forced or indentured child labor, pursuant to [Executive Order 13126](#). This List is intended to ensure that U.S. federal agencies do not procure goods made by forced or indentured child labor. Under [procurement regulations](#), federal contractors who supply products on the List must certify that they have made a good faith effort to determine whether forced or indentured child labor was used to produce the items supplied. To date, seven goods from Burma are included for forced child labor, including bamboo, beans (green, soy, yellow), bricks, rice, rubber, sugarcane, and teak.

Findings on the Worst Forms of Child Labor

The Department of Labor's annual [Findings on the Worst Forms of Child Labor](#) report focuses on the efforts of certain U.S. trade beneficiary countries and territories to eliminate the worst forms of child labor through legislation, enforcement mechanisms, policies and social programs. For 2020, Burma received an assessment of no advancement.¹⁶ Despite limited initiatives to address child labor, Burma is assessed as having made no advancement because it demonstrated a practice of being complicit in the use of forced child labor.

U.S. Department of State

2020 Investment Climate Statement: Burma

<http://www.state.gov/reports/2020-investment-climate-statements/burma>

¹⁶ Each country in this report receives an assessment to indicate the U.S. Department of Labor's findings on the country's level of advancement in efforts to eliminate the worst forms of child labor during the reporting period. There are five possible assessment levels: Significant Advancement, Moderate Advancement, Minimal Advancement, No Advancement, or No Assessment.

2020 Country Report on Human Rights Practices: Burma

<https://www.state.gov/reports/2020-country-reports-on-human-rights-practices/burma/>

2021 International Narcotics Control Strategy Report

<https://www.state.gov/2021-international-narcotics-control-strategy-report/>

U.S. Department of the Treasury

In response to the military coup, the U.S. Department of the Treasury has imposed sanctions on entities pursuant to Executive Order 14014. For additional information, refer to the Burma-Related Sanctions Program website at: <https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/burma>.

The Specially Designated Nationals and Blocked Persons List, which includes persons sanctioned under E.O. 14014 is available at: <https://home.treasury.gov/policy-issues/financial-sanctions/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists>.

Office of the U.S. Trade Representative

In response to the coup and oppression of the Burmese people, on March 29, 2021, United States Trade Representative Katherine Tai [announced the suspension](#) of all U.S. diplomatic engagement, meetings, and cooperation with Burma under the [U.S.-Burma Trade and Investment Framework Agreement](#) (TIFA).

Annex 2: Additional U.S. Government Reports and Resources on Burma (Myanmar)

U.S. Department of Labor

Comply Chain: Business Tools for Labor Compliance in Global Supply Chains

The Department of Labor’s mobile app and web-based platform provides information on due diligence measures specific to forced labor and child labor in supply chains, offering an interactive resource to help companies assess risks and impacts and draw on lessons and good practices from over 50 real-life examples of due diligence in various sectors. Comply Chain is available in English, French, Malay, and Spanish.

Better Trade Tool

The Department of Labor launched the Better Trade Tool, a web-based platform that links trade data to available information on labor exploitation around the world. It offers users an additional level of detail that has been a missing piece in the global supply chain puzzle, empowering them to make strategic decisions based on better data. This new tool incorporates data on goods and country pairings that the Department of Labor has reason to believe are produced by child labor, forced labor, or forced or indentured child labor in violation of international standards; U.S. Census Bureau import trade data; and classification and mapping to the Harmonized Tariff Schedule of the United States. The Better Trade Tool is available at:

www.dol.gov/BetterTradeTool.

In particular, the following goods are directly imported from Burma into the United States and have been identified by the Department of Labor as goods made with child or forced labor in Burma: garments¹⁷ (child labor), jade¹⁸ (child and forced labor), rice¹⁹ (child labor, forced labor, and forced child labor), rubies²⁰ (child labor and forced labor), sesame²¹ (forced labor), shrimp²² (forced labor), and teak²³ (child labor, forced labor, and forced child labor).²⁴

U.S. Department of State

2021 Trafficking in Persons Report

The Department of State publishes the Trafficking in Persons Report annually to highlight the state of human trafficking across the globe and calls on governments to join the United States in improving our collective efforts to comprehensively address the issue. The 2021 report assesses the Government of Burma has a policy or pattern of use of children for forced labor by the military.

¹⁷ U.S. imports for consumption value for 2020 of \$333,393,733

¹⁸ U.S. imports for consumption value for 2020 of \$1,624,322

¹⁹ U.S. imports for consumption value for 2020 of \$38,513

²⁰ U.S. imports for consumption value for 2020 of \$14,486,388

²¹ U.S. imports for consumption value for 2020 of \$29,767

²² U.S. imports for consumption value for 2020 of \$1,630,373

²³ U.S. imports for consumption value for 2020 of \$13,961,402

²⁴ Data for U.S. imports for consumption value for 2020 obtained from the Department of Labor’s Better Trade Tool: <https://www.dol.gov/agencies/ilab/better-trade-tool>

U.S. Department of the Treasury

Updates on the Financial Action Task Force-Identified Jurisdictions with Anti-Money Laundering and Combating the Financing of Terrorism and Counter-Proliferation Deficiencies

FinCEN issues press releases to inform financial institutions of updates to the Financial Action Task Force's (FATF) list of jurisdictions with strategic anti-money laundering and combating the financing of terrorism, and counter-proliferation financing deficiencies. The FATF's latest update continues to include Burma on its list of jurisdictions under increased monitoring.

Annex 3: Due Diligence Requirements for Businesses and Financial Institutions

The UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Labour Organization (ILO) publication, “Combating Forced Labour: A Handbook for Employers and Business,” and the Office of the High Commissioner for Human Rights guide on “The Corporate Responsibility to Respect Human Rights” (OHCHR guide) provide guidance for heightened due diligence in high-risk regions and factors to be considered in determining appropriate action, including whether and how to responsibly end relationships when a business lacks the leverage to prevent or mitigate adverse impacts.

Businesses engaged with public and private security around their operations are also encouraged to implement the Voluntary Principles on Security and Human Rights. The Voluntary Principles on Security and Human Rights provide guidance in providing security around business operations in a manner that respects human rights, including engagement with public and private security providers. Businesses exporting products, and services with surveillance capabilities are encouraged to implement the U.S. Department of State Guidance on Implementing the UN Guiding Principles for Transactions Linked to Foreign Government End-Users for Products or Services with Surveillance Capabilities. The Guidance provides practical and accessible human rights guidance to U.S. businesses to prevent their products or services from being misused by regime end-users to commit human rights abuses.

With respect to U.S. sanctions programs, the U.S. government strongly encourages persons subject to U.S. jurisdiction, as well as foreign persons that conduct transactions with or involving the United States and/or U.S. persons, including the making of exports and reexports of items that are subject to U.S. export controls, to employ a risk-based approach to sanctions compliance, by developing, implementing, and routinely updating a sanctions compliance program. While each risk-based sanctions compliance program will vary depending on a variety of factors — including the company’s size and sophistication, products and services, customers and counterparties, and geographic locations — each program should be predicated on and incorporate at least five essential components of compliance: (1) management commitment; (2) risk assessment; (3) internal controls; (4) testing and auditing; and (5) training. Please refer to [4 Framework for OFAC Compliance Commitments](#) and OFAC’s Sanctions Compliance & Evaluation Division for more details.

Entities with ties to the U.S. financial system should be aware that U.S. financial institutions²⁵ are required to comply with the Bank Secrecy Act (BSA) and its implementing regulations,²⁶ administered by FinCEN.²⁷ BSA requirements generally include establishing AML programs,²⁸

²⁵ See 31 CFR 1010.100(t).

²⁶ See 31 CFR Chapter X.

²⁷ FinCEN is the U.S. financial intelligence unit and safeguards the U.S. financial system from illicit use through the collection, analysis and dissemination of financial intelligence; it is also the administrator of the Bank Secrecy Act.

²⁸ See 31 U.S.C. § 5318(h)(4)(A) and 31 CFR 1010.201, See 31 CFR 1020.210(a) (banks with a Federal functional regulator, 31 CFR 1020.210(b) (banks without a Federal functional regulator); 31 CFR 1021.210 (casinos and card clubs); 31 CFR 1022.210 (money services businesses); 31 CFR 1023.210 (brokers or dealers in securities); 31 CFR 1024.210 (mutual funds); 31 CFR 1025.210 (insurance companies); 31 CFR 1026.210 (futures commission

filing currency transaction reports,²⁹ and reporting suspicious activity.³⁰ The reporting generated by these obligations is essential to detecting, investigating, and deterring criminal activity. U.S. financial institutions are expected to take a risk-based approach to identify, assess, and mitigate their money laundering and terrorist financing risks. A financial institution may ask its customers—including customers engaged in business potentially related to Burma—for additional information to establish a risk profile and understand the nature of the customer relationship. For further information, financial institutions should refer to FinCEN-issued press releases, regulations, advisories, and guidance as to their obligations under the BSA. Financial institutions may face civil enforcement as well as potential criminal penalties if they fail to comply with their BSA obligations.

U.S. financial institutions also are expected, and in some cases obligated, to comply with law enforcement processes, including but not limited to subpoenas, seeking to identify traffickers' assets, which can be seized, forfeited, and, in human trafficking cases, used toward restitution.

merchants and introducing brokers in commodities); 31 CFR 1027.210 (dealers in precious metals, precious stones, or jewels); 31 CFR 1028.210 (operators of credit card systems); 31 CFR 1029.210 (loan or finance companies); and 31 CFR 1030.210 (housing government sponsored enterprises).

²⁹ See generally 31 CFR 1010.310.

³⁰ See generally 31 CFR 1010.320, 1020.320, 1021.320, 1022.320, 1023.320, 1024.320, 1025.320, 1026.320, 1029.320, and 1030.320.