

Banking on the Death Trade: How Banks and Governments Enable the Military Junta in Myanmar

Special Rapporteur on the situation of human rights in Myanmar

June 2024

The Myanmar military's unchecked brutality has caused

more than **5,000**

civilians killed

7→3 million

people displaced

more than **20,000**

20,000 political prisoners thrown behind bars since the coup

The military junta, or State Administration Council (SAC), imported



US Dollar **630 million**

in military procurement through the international financial systemby the SAC's Ministry of Defence from 1 April 2022 to 31 March 2024.

They just slaughtered them as if they were animals."

– A survivor of a junta military attack on Let Htoke Taw village that killed more than 30 civilians on 11 May 2024

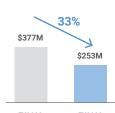
"Myanmar military massacres more than 30 in Sagaing Region," Myanmar Now, 13 May 2024



Photo © Hlaing Bwar via Myanmar Witness

The Good News

- The SAC's imports of military supplies weapons, dual-use technologies, manufacturing equipment, and raw materials decline by one third from the year ending March 2023 to the year ending March 2024.
- More UN Member States take action:
 - Four countries and the EU impose 133 new sanctions since the start of 2023.
 - The US and Australia impose sanctions on two state-owned banks: Myanma Foreign Trade Bank and Myanma Investment Commercial Bank;
 - Singapore conducts an investigation of Singapore-based companies that were exporting military weapons and supplies to
 Myanmar following the Special Rapporteur's previous report.



FY2022 FY2023 SAC Military Procurement Declines



International action works. The people of Myanmar deserve more."

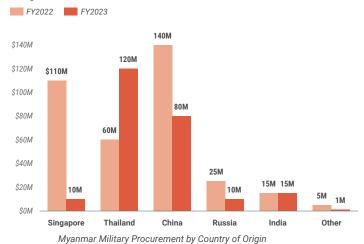
- SR Tom Andrews

The Rad News

- The SAC imported hundreds of millions of dollars in military supplies in FY2023 by:
 - Exploiting Member States' failure to coordinate and adequately enforce sanctions;
 - Altering supply chains; and
 - Shifting financial institutions.
- International financial institutions facilitated the sale of military weapons and supplies to the SAC.
- The flow of aviation fuel to the SAC and aircraft used to attack villages increased by 30% in 2023.

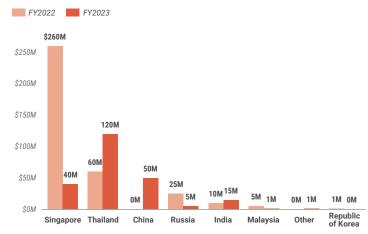
Shifting Supply Chains

The SAC shifted its sources of military weapons and supplies using the international financial system from year ending March 2023 to year ending March 2024:



Shifting International Banking Services

Banks continue to facilitate payments that enable the SAC's military procurement.



Home Country of Banks Facilitating Myanmar Military Procurement

DEATH TRADE IN MOTION - SECURING WEAPONS AND SUPPLIES BY SHIFTING SOURCES AND SERVICES

Shifting Sources: A Tale of Two Countries

From the year ending March 2023 to the year ending March 2024 $\,$

- Exports of weapons and military supplies from Singapore-registered companies to Myanmar drop by nearly 90%.
- Singaporean banks facilitate 70% less military procurement.
- Exports of weapons and military materials to Myanmar from Thai-registered companies more than double from \$60 million to nearly \$130 million.
- Thai banks double the amount of military procurement facilitated to Myanmar from over \$60m to over \$120m.



SAC-controlled banks were used to pay for all but US\$1 million of this US\$630 million Trade.



Shifting State Banks Result The SAC shifts banking activity from the sanctioned MFTB and MICB to the unsanctioned MEB. Outgoing Payments Incoming Payments 498M 500M 400M 300M 200M 79M 81M 100M 52.2M 0 MFTB MFB MFB MFB MFTB **MFTB** Apr - Jun Jul - Sept Oct - Dec Total MFTB and MEB transaction flows, 2023

Myanmar Economic Bank becomes the SAC's go-to bank. Dung Ka Mee village after K-8W aircraft attack



MEB payments included:



MiG-29 components

RECOMMENDATIONS

MFTB

In order to weaken the SAC's capacity to sustain itself and its assaults on the people of Myanmar, The Special Rapporteur urges UN Member States to:

MEB

Sanction Myanma Economic Bank and all SAC controlled banks.

MICB

- Sanction Myanma Oil and Gas Enterprise. Block the SAC's unfettered access to
- Coordinate sanctions and enforcement with other Member States.
- Direct banks to not conduct business with SAC-controlled entities.
- Publicly commit to halting the flow of weapons into Myanmar, in line with UN General Assembly resolution 75/287 of 18 June 2021.
- Sanction aviation fuel suppliers,

- transporters and service providers, including insurance companies.
- billions of dollars of the State of Myanmar's foreign exchange reserves.
- ▶ Apply SAC sanctions to all SAC-controlled entities.

The Special Rapporteur urges financial institutions to:

Terminate or freeze all financial relationships with Myanmar's state-owned banks, including Myanma Economic Bank.

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Undertake enhanced due diligence on all business relationships and transactions related to Myanmar.

The Special Rapporteur urges the UN Security Council to:

- Impose a comprehensive arms embargo and targeted economic sanctions on the SAC.
- Refer the SAC to the International Criminal Court so that those responsible for the atrocity crimes that have been committed against the people of Myanmar are held fully accountable.