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**Supplemental Business Advisory Highlighting Continued Risks and Considerations for Businesses and Individuals with Exposure to Entities Responsible for Undermining Democratic Processes, Facilitating Corruption, and Committing Human Rights and Labor Rights Abuses in Burma (Myanmar)<sup>1</sup>**

**Summary**

On February 1, 2021, Burma’s military overthrew the country’s democratically elected civilian government and established a military-controlled State Administration Council. The military’s actions constitute a rejection of the will of Burma’s people, as expressed in their November 2020 elections. In response to widespread resistance to this military coup, the military of Burma has committed human rights and labor rights abuses and engaged in other repressive and antidemocratic actions, including violently suppressing peaceful protests, unjustly detaining many leaders of the democratically elected government, outlawing the National League for Democracy political party, disbanding labor unions, and conducting aerial attacks harming civilians.

The military coup and the military’s subsequent violence against people in Burma have fundamentally damaged the economic and business environment in Burma, reversing the gains achieved since the country held parliamentary elections in 2011. Since the military coup, Burma’s business environment has become more opaque, allowing the military to draw upon multiple revenue sources to support its military operations without civilian oversight or accountability.

Given significant [additional developments](#) in Burma since the previous advisory was issued in [January 2022](#), the U.S. Departments of State, the Treasury, Commerce, Homeland Security, Labor and the U.S. Trade Representative are publishing this Supplemental Advisory to highlight additional sectors and activities

of concern in the country, as well as actions taken under various federal authorities and multilateral authorities to address destabilizing conduct involving the military regime or private entities located in or operating in Burma. This supplemental information builds on and adds to the previous advisory, and is intended to inform individuals, businesses, financial institutions, and other persons, including investors, consultants, non-governmental organizations, and due diligence service providers (hereafter “businesses and individuals”) of the continued risks and considerations for businesses and individuals with exposure to entities responsible for undermining democratic processes, facilitating corruption, and committing human rights and labor rights abuses in Burma.

The additional sectors and activities of concern within Burma highlighted in this Supplemental Advisory are:

- Sectors of concern:
  - Rare earth elements;
  - Base metals and gold;
  - Timber; and
  - Aviation services, components, and fuel.
- Activities of concern:
  - Potential diversion to military end uses and end users;
  - Financial and related services to state-owned banks; and
  - Ongoing abuses of Burmese workers' internationally recognized labor rights.

The economic sectors listed above generate revenue for the military, often operating under state monopolies or monopoly-like concessions, and/or are linked with corruption and human rights or labor rights abuses. As described in further detail below, businesses and individuals should be wary of reputational, economic, and legal risks associated with conducting business and utilizing supply chains involving these sectors and activities because of their links to Burma’s military.

Conducting business in Burma may also be complicated by ongoing deficiencies in Burma’s anti-money laundering and counter financing of terrorism (AML/CFT) framework. This Supplemental Advisory also focuses specific attention on labor rights abuses and the risk of diversion of computer chips and other export-

controlled products from Burma/Myanmar to military end users in the PRC and Russia.

## Note on Additional Actions Taken by the U.S. Government and International Organizations since January 2022

Since the previous U.S. advisory, the U.S. Government and certain international organizations have expanded restrictions on individuals and entities tied to Burma's military regime.

Since February 2021, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) has taken actions against dozens of individuals and entities with a nexus to the military regime and the military coup leaders pursuant to Executive Order (E.O.) 14014. These actions aim to promote accountability for the military coup and related violence and disrupt revenue to the military regime. These designations include individuals and entities connected to a range of sectors noted in the original advisory. Unless authorized by a general or specific license issued by OFAC, or otherwise exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons. Additional information related to OFAC actions, policies, and responsibilities for U.S. persons seeking to do business in Burma can be found here: <https://ofac.treasury.gov/sanctions-programs-and-country-information/burma>.

Of note, on June 21, 2023, OFAC designated two state-owned banks, Myanmar Foreign Trade Bank (MFTB) and Myanmar Investment and Commercial Bank (MICB), which have been instrumental in facilitating the military regime's use of foreign currency to procure arms and jet fuel abroad and to access international markets using offshore accounts. MFTB, in particular, has served as an important bank for transactions involving several of the sectors referenced in this advisory. On October 31, OFAC issued Directive 1 under E.O. 14014 which prohibits U.S. persons from providing, exporting, or re-exporting, directly or indirectly, financial services to or for the state-owned Myanmar Oil and Gas Enterprise (MOGE) or its property or interests in property. These prohibitions went into effect on December 15, 2023.

Since the issuance of the January 2022 advisory, the Department of Commerce's Bureau of Industry and Security (BIS) has added several Burma and Russian entities to its Entity List (Supp. No. 4 to part 744 of the Export Administration Regulations (EAR), 15 C.F.R. part 730-774) to address foreign policy concerns related to support provided to Burma's military regime. In March 2023, BIS added two Burma commercial entities and one government entity to the Entity List that had provided surveillance equipment services to the military regime, thereby enabling the regime to carry out human rights abuses through the tracking and identification of individuals and groups. See 88 Fed. Reg. 13673 (March 6, 2023). Additionally, during the same month, Burma and Russian commercial entities were added to the Entity List for selling, procuring, and servicing military equipment that enabled the military regime to commit human rights abuses, as well as brutal aerial attacks killing and injuring civilians. See 88 Fed. Reg. 18983 (March 30, 2023).

BIS's actions target these entities' ability to receive items (commodities, software, and technology) subject to the EAR, recognizing, in particular, the increasingly key role that technology plays in enabling campaigns of repression and other human rights abuses.

The United States continues to coordinate with partners and allies on sanctions actions. Several countries and international organizations have also introduced new commercial restrictions since the January 2022 advisory, including the European Union, Australia, Canada, New Zealand, the Republic of Korea, and the United Kingdom.

Businesses and individuals with potential exposure to, or involvement in operations or supply chains tied to, the military regime should continually review sanctions measures imposed with respect to Burma. Businesses and individuals that do not conduct appropriate due diligence run the risk of engaging in conduct or transactions that may expose them to significant reputational, financial, and legal risks, including violations of U.S. sanctions and export controls.

Burma also continues to present significant reputational, economic, and legal risks to the private sector, particularly financial institutions, as a result of gaps in its anti-money laundering (AML) and counter financing of terrorism (CFT) legal framework, in part because the regime cannot impartially prosecute financial

crimes at this time. In October 2022, the Financial Action Task Force (FATF) placed Burma on its “blacklist” and called upon its members and other jurisdictions to apply enhanced due diligence measures proportionate to the risk arising from Myanmar. The FATF has repeated these calls for action by its members as well as urged Burma to take urgent actions to resolve AML/CFT deficiencies.<sup>2</sup>

Businesses and individuals are advised to consider Burma’s AML/CFT deficiencies in their risk analysis, including evaluating their potential exposure to economic and legal risks that may include violations of U.S. AML laws and sanctions.

## **I. Rare Earth Elements**

Burma has deposits of all 17 rare earth elements, including “heavy” rare earths like dysprosium and terbium that are used in refined products to power “green transition” technologies, including permanent magnets for electric vehicles and wind turbines. Current conditions in Burma make it extremely challenging to implement the supply chain controls, environmental protections, and labor rights safeguards necessary to mine these rare earth materials safely and with appropriate due diligence as to all involved entities.

Reports by non-profit research organizations indicate that regime-linked militias operating in Burma are facilitating the extraction and export of rare earth elements, including heavy rare earths, to neighboring countries, principally the People’s Republic of China (PRC).<sup>3</sup> The reports further note risks that regional supply chains are mislabeling rare earth elements from Burma as originating from mines in other nearby countries. The export of raw rare earth elements from Burma to the region is estimated to generate hundreds of millions of dollars annually, much of which is reportedly flowing to militias allied with the military regime.<sup>4</sup>

Further, in June 2023, OFAC designated Burma’s Ministry of Defense, which has command and control of border guard forces, some of which are involved in rare earth extraction.<sup>5</sup> The involvement of regime-linked militias – including border guard forces under control of the regime’s Ministry of Defense – in rare earth extraction heightens the risks of corruption, abuses, and environmental harm.

The most common method in these militia-controlled areas for extracting rare earth elements – known as in-situ leaching – is associated with severe risks of permanent environmental degradation, labor rights abuses, and negative health outcomes for individuals who come into contact with caustic chemicals used to extract the ores. Businesses and individuals who trade in rare earths extracted from Burma may face reputational risks from association with these harmful activities.

Businesses and individuals procuring rare earth elements and products made from rare earth elements from supply chains in the Burma region, including recycled and refined products, are encouraged to conduct enhanced due diligence and to contract with reputable third parties to reduce the risks that the rare earths (potentially marketed as being of PRC-origin) originated in Burma. Businesses should not rely on unsupported assurances, but rather should request documentation of products' origin.

Businesses and individuals are encouraged to review their due diligence procedures commensurate with the severity and likelihood of risks, including to ensure that they are appropriate to the risks described in this Supplemental Advisory and previous advisories. There are many publicly available resources for businesses on due diligence for human rights abuses and related issues. The [UN Guiding Principles on Business and Human Rights](#), the [UN Development Programme's Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts: A Guide](#), 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) and others 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, and how to mitigate the risk of human rights abuses through the business value chain.

The U.S. Embassy in Burma and Department of State in Washington, DC, can assist if businesses or individuals have questions about rare earths potentially sourced from Burma or a sanctioned person in Burma. Please refer to the Department of

Treasury’s Specially Designated Nationals And Blocked Persons List (SDN) for a list of sanctioned individuals and entities in Burma.

## **II. Base Metals and Gold Mining and Gems**

Burma’s 2021 military coup and steady global demand for the country’s base metals and gold have compounded historical oversight challenges tied to Burma’s metal mining sector.

Although overall exports of base metals from Burma have declined relative to pre-coup levels, according to industry and media reports,<sup>6</sup> regime-controlled state-owned enterprises, Mining Enterprise No. 1 and Mining Enterprise No. 2, continue to extract these resources at low volumes in partnership with PRC firms, among others. Both mining enterprises were designated by OFAC in January 2023 pursuant to E.O. 14014 for being a political subdivision, agency, or instrumentality of the Government of Burma. Because of the lack of regulation, transparency, and accountability, doing business with Burma’s metal mining sector involves risk of money laundering, corruption, and human rights and labor rights abuses, including forced labor.

In Salingyi, three PRC-run copper mines – Letpadaung, Sapetaung and Kyesintaung – are run by Wanbao Mining subsidiary Yangtse, in partnership with military-owned Union of Myanmar Economic Holdings Ltd (UMEHL). Wanbao is a subsidiary of PRC state-owned arms manufacturer China North Industries Corporation (NORINCO), identified under E.O. 13959, as amended. In July 2021, the Department of Commerce’s Bureau of Industry and Security listed Wanbao and two of its subsidiaries on its Entity List. BIS took such action to limit the entities’ access to items subject to the EAR that might be used in copper mining operations, particularly in light of existing revenue-sharing arrangements with a Burma entity previously added to the Entity List in connection with the February 1, 2021, military coup.

Meanwhile, poorly-regulated gold mining in Kachin State and other parts of the country expanded following the military coup, accelerating a deleterious trend of larger commercially run enterprises using heavy equipment to dredge rivers year-

round.<sup>7</sup> The lack of sufficient regulatory action by local or national authorities has created incentives for armed actors, including some linked to the military regime, to allow commercial interests access to areas they control in exchange for a share of profits. Labor standards, including safety standards, are not enforced in the gold mining sector, posing extreme occupational risks to vulnerable local populations who provide labor.

Further, the environmental impacts of gold mining are numerous and severe and have negatively impacted UNESCO-designated heritage and other culturally significant sites. Gold mining has polluted waterways with mercury, tailings, and other contaminants; Burma is not a party to the Minamata Convention on mercury, which seeks to reduce and eliminate mercury usage in gold mining.

As noted in the January 2022 Advisory, given the insufficient reporting requirements in Burma for cross-border transfers of goods and funds, the U.S. government continues to recommend that metal importers undertake heightened due diligence to better understand their supply chains and to avoid sourcing from or brokering through Burma military-owned or affiliated entities, even if their supply chains appear to be completely outside of Burma. It is the responsibility of businesses and individuals to ensure that their sourcing does not violate sanctions; verifying that sourcing is consistent with what is being reported from vendors and suppliers can be a means to mitigate potential liability for sanctions violations.

In addition to the OECD MNEs and UNGPs, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, formally adopted by the OECD in 2011 (the OECD published the current 3rd edition of the Guidance in 2016), provides an overarching, five-step due diligence approach for metals, with Annex II of the OECD Guidance setting out a “model” corporate policy for a responsible global supply chain. The five steps are to:

1. Establish strong company management systems;
2. Identify and assess risk in the supply chain;
3. Design and implement a strategy to respond to identified risks;
4. Carry out independent third-party audits of supply chain due diligence at identified points in the supply chain; and
5. Report on supply chain due diligence.



The 2012 amendment to the OECD Guidance added a separate Gold Supplement to focus more specific attention on the unique concerns related to gold. The OECD framework and Gold Supplement undergird the numerous industry frameworks that have been developed in gold and other base metals sectors and provide an overarching approach to due diligence for all companies.

Gem industries in Burma were also identified by the Department of Labor's *List of Goods Produced by Child Labor or Forced Labor* as utilizing forced labor and child labor.<sup>8</sup> According to the 2022 release of the Department of *Labor's List of Goods Produced by Child Labor or Forced Labor*, rubies and jade mining are linked to these abuses.

### **III. Timber**

Burma has the largest expanse of tropical forest in mainland Southeast Asia and has some of the world's largest natural teak and other hardwood forests. Timber remains an accessible and significant source of revenue for the military regime.

While the military regime does not control much of the country due to general breakdown of the rule of law, the regime still is able to profit from the timber trade through control of the seaports and through its ties to timber brokers in neighboring countries, including the PRC, India, and Thailand. Although OFAC designated Myanmar Timber Enterprise (MTE) in April 2021 pursuant to E.O. 14014, MTE continues to auction timber products to private buyers. To be clear, U.S. persons are prohibited from engaging in transactions with MTE, regardless of whether the sales are of products that MTE had "stockpiled" before or after the imposition of sanctions in 2021.

Such auctions have likely contributed to a steady stream of largely unreported follow-on exports. Between the February 2021 military coup and January 2023, Burma's trade partners imported approximately \$500 million worth of timber and processed lumber from Burma, with sales generally processed through MFTB.<sup>9</sup> The regime, however, officially reported only \$70 million worth of timber exports as of July 2022, and it has underreported transactional details from its auctions.

Experts attribute the significant gap between the volume of timber exports reported by the regime and the volume of timber imports reported by trade partners to illicit market activities, coupled with mismanagement, corruption, and sanctions evasion activities by regime authorities.<sup>10</sup>

Businesses and individuals sourcing timber products from Burma or its immediate neighbors should be on the lookout for direct and indirect linkages to Burma's military regime and to sanctioned Burma individuals and entities, including banks. Businesses should conduct due diligence when dealing in supply chains of high-value timber commodities like teak and ironwood, where Burmese products may be mislabeled as of Burma origin. Such diligence should account for the significant likelihood that any timber sourced from Burma has uncertain provenance in terms of an original legal right to cut or harvest timber and may be connected to labor abuses, corruption, and broader environmental degradation. Logging and other commodity-driven deforestation remain a key driver of tree cover loss in Burma, and the logging industry has been tied to instances of forced labor in teak cultivation.<sup>11</sup> The U.S. Embassy in Burma and Department of State in Washington, DC can assist if a business or individual has a question about timber sourced from Burma or a Burmese entity.

#### **IV. Aviation Services, Components, and Fuel**

Burma's commercial aviation sector – including services, components, and fuel – is deeply intertwined with the military's aviation operations. For example, Myanma Petroleum Products Enterprise (MPPE) and its sub-entity, National Energy Puma Aviation Services (NEPAS), exercise monopoly control over Burma's jet fuel sector. NEPAS jet fuel depots are located on joint military-civil airfields throughout Burma such that aviation kerosene or Jet A1 is commingled by MPPE and NEPAS between military and civil end users. As a result, it is currently impossible for suppliers to ascertain the end user of aviation kerosene destined to Burma.

On August 23, 2023, OFAC expanded its use of Burma-related sanctions authorities by issuing a determination that identifies the jet fuel sector of the Burmese economy pursuant to section 1(a)(i) of E.O. 14014. This determination allows for sanctions to be imposed on any foreign individual or entity determined

to operate in the jet fuel sector of the Burmese economy. At the same time, OFAC designated two individuals and three entities involved in the procurement and distribution of jet fuel to Burma's military.

In addition to the 20 ATR fixed-wing aircraft that make up the Burmese commercial airline fleet, the military operates roughly ten ATR aircraft to move personnel and equipment around the country. U.S. businesses and individuals that supply spare parts for ATR aircraft in Burma, or for common models of Bell, Alouette, and PZL-Swidnik rotary aircraft, should be aware of the potential for diversion of those spare parts for use by the military and should consider the reputational and regulatory risks associated with such potential diversion. Such businesses and individuals may wish to consider limiting the quantity of components and parts shipped to entities in Burma and whether rotary and fixed-wing aircraft can be serviced outside of Burma to limit such shipments. Finally, given the risk of diversion through shell companies using proxy management or personnel affiliated with entities and persons in Burma, businesses and individuals conducting transactions of military goods and parts through Singapore and Thailand should also conduct due diligence to ensure that diversion to Burma's military will not occur.

## **V. Potential Diversion to Military End Uses and End Users**

The military operates an extensive network of corporate affiliates that are often registered in Thailand, Singapore, India, and the UAE, in addition to Burma. Businesses and individuals who supply any aviation parts and services to Burma, including those ostensibly destined for commercial operators, should conduct appropriate due diligence to limit both regulatory and reputational risks. The U.S. Embassy in Burma and the Department of State in Washington, DC, can assist if a business or individual has a question about an aviation product or service destined to Burma or a Burmese entity.

Given the close supply connections between the militaries and defense industries of Russia, the PRC, and Burma, there is a substantial risk that computer chips in ICT equipment, including routers and servers, and mature-node computer chips embedded in appliances and vehicles with an end user or destination in Burma

are at substantial risk for diversion to the PRC and Russia for military use. U.S. companies that manufacture inputs into arms and ammunition production, including smokeless powder, as well as brass, polymer and plastic composites, industrial lathes, mills, and bullet assembly presses, that are shipping to Southeast Asia should be aware of the risk of diversion to Burma of inputs and equipment used in the manufacture of small arms and small and large caliber ammunition.

Russia, the PRC, and their respective defense industries supply military equipment, including weapon systems, training, logistical and maintenance support for this equipment, to Burma's military. These same countries and entities may also purchase small and large caliber ammunition and seek replacement parts, particularly for obsolete arms and equipment, from Burma's military. U.S. businesses and individuals should be aware of reputational and regulatory risks in shipping such products to Burma and to unverified freight forwarders or third parties in Southeast Asia. They should consult with the Department of State and BIS when needed to assist in preventing military end use in Burma and/or diversion of components to Russia and the PRC's defense industries.

Individuals and businesses should also be aware that BIS continues to maintain military end use and end user controls, as well as military-intelligence end use and end user controls, under the EAR in connection with the export, re-export, and transfer (in-country) of items (as noted above, commodities, software, and technology) subject to the EAR that are destined for Burma. See Section 744.21(a)(1) (military end use and military end user controls) and Section 744.22(a) (military-intelligence end use and end user controls) of the EAR. Notably, BIS has designated Burma's Office of Chief of Military Security Affairs (OCMSA) and the Directorate of Signal as military-intelligence end users. See Section 744.22(f)(2)(i).

As a general matter, if a person knows (positive knowledge or awareness of a high probability of the existence of a circumstance) that certain items subject to the EAR are destined for a defined military end use/user or military-intelligence end use/end user, a license requirement may apply to a contemplated export, reexport, or in-country transfer. Furthermore, U.S. persons generally require a license to provide any "support" to military intelligence end users in Burma,

regardless of whether such activities involve any items subject to the EAR. See Section 744.6(b)(5) of the EAR.

## **VI. Financial and Related Services to State-owned Banks**

On June 21, 2023, the United States designated two of Burma’s military regime-controlled banks, Myanmar Foreign Trade Bank (MFTB) and Myanmar Investment and Commercial Bank (MICB), pursuant to E.O. 14014. MFTB and MICB have been instrumental in facilitating the regime’s use of foreign currency to procure arms and other materials abroad and to access international markets using offshore accounts. While MFTB and MICB allow MOGE and other state-owned enterprises access to foreign markets for revenue generation, these financial institutions also enable Burma’s Ministry of Defense and other sanctioned military entities to purchase arms and other materials from foreign sources. The United States will continue to carefully monitor compliance and scrutinize transactions with an MFTB or MICB nexus to counter evasion or other behavior that contravenes the intent of these designations and U.S. policy.

In addition to MFTB and MICB, the regime exercises influence over other state-owned banks including the Myanmar Economic Bank (MEB) and the Central Bank of Myanmar. All transactions and services for state banks, including but not limited to insurance and claims underwriting, issuance, and settlement of currency options in U.S. dollars or other foreign currencies, deposit guarantees for state bank nostro accounts held in foreign correspondent banks, commercial paper, and the sale and support of financial software and IT hardware for central banking activities, should be closely examined for possible U.S. sanctions avoidance and circumvention. There also remain inadequate anti-money laundering and countering the financing of terrorism (AML/CFT) controls in place at state banks that heighten the associated risks for any transactions with persons and/or entities in Burma as noted in the Financial Action Task Force’s October 2022 decision to add the state to its list of “High-Risk Jurisdictions subject to a Call for Action” (blacklist).

## **VII. Labor Rights Abuses**

Since the 2021 coup, the military regime has repeatedly denied citizens the human rights of peaceful assembly and freedom of association, exacerbating the longstanding and growing need for better labor rights protections in Burma. Since the military coup, the military regime has targeted the labor union movement, arrested numerous union leaders and members, and outlawed at least 16 labor unions. As a result, the UN International Labor Organization (ILO) reports that workers' rights abuses have increased, and trade unions are unable to operate in garment and other factories. Workers who protest poor working conditions, particularly in the garment and footwear sectors, face continued risk of severe retaliation by employers, and arrest and incarceration by the military regime, which is openly hostile to ILO activities in Burma. Consequently, ILO has reduced its presence and activities in Burma.<sup>12</sup>

Further pressuring the labor force, Burma's economy has remained in a low-growth, high-inflationary state relative to pre-coup levels, and poverty rates and food insecurity have increased substantially since the military coup. Many workers still earn Burma's legally mandated minimum wage of 4800 kyat (\$1.41 at current market exchange rate)<sup>13</sup> per 8.5-hour day. Workers who protest their wages are often brutally repressed and jailed by the military regime.<sup>14</sup> The minimum wage is not pegged to the cost-of-living and has not increased since the last legislative revision in 2018. Given inflation and currency depreciation, the equivalent purchasing power today would be at least 7400 kyat per day.<sup>15</sup>

The confluence of fewer labor rights protections and weak economic conditions have encouraged some businesses in Burma to reduce compensation and protections for workers. An August 2023 report by the Business & Human Rights Resource Centre, for example, indicates that garment workers have faced wage reduction and theft since the coup without adequate means to raise concerns through robust stakeholder engagement mechanisms, like unions.<sup>16</sup> Meanwhile, the Department of State 2023 Trafficking in Persons Report highlights Burma's state-owned enterprises are still significantly involved in industries that have been tied to human trafficking, child and forced labor, and the targeting of labor unions.<sup>17</sup> Forced labor, including use of drug addicts paid in narcotics, and child labor have both been implicated in Burma's extractive industries, particularly in labor-intensive mining and timber activities.

Labor rights protections have continued to decline in Burma since the previous advisory because of regime actions and worsening economic conditions. In October 2023, the UN ILO Myanmar Commission of Inquiry found deteriorating labor conditions led to widespread violations of the Freedom of Association and Forced Labor Conventions.<sup>18</sup> Businesses should be aware the Commission of Inquiry report may cause EU regulators to reexamine its trade preferences, including the “everything but arms” scheme.

Given these conditions, businesses and individuals employing workers in Burma, including through subcontractors and affiliates, should take appropriate measures to identify practices and labor conditions that may not comply with international standards. The U.S. Embassy in Burma and the Department of State in Washington, DC, can assist if a business or individual has a labor question or concern.

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<sup>1</sup> 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.

<sup>2</sup> The FATF’s “black list” places a jurisdiction identifies jurisdictions with serious strategic deficiencies to counter money laundering, terrorist financing, and financing of proliferation. For all countries identified as high-risk, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence. 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 on High-risk and other monitored jurisdictions ([fatf-gafi.org](https://fatf-gafi.org)).

<sup>3</sup> For more information, please see:

<https://www.globalwitness.org/en/campaigns/natural-resource-governance/myanmars-poisoned-mountains/>  
<https://apnews.com/article/technology-forests-myanmar-75df22e8d7431a6757ea4a426fbde94c>  
<https://ejatlas.org/conflict/rare-earth-mining-in-mountains-of-myanmar>  
<https://www.frontiermyanmar.net/en/weapons-power-and-money-how-rare-earth-mining-in-kachin-enriches-a-tatmadaw-ally/>

<sup>4</sup> <https://www.frontiermyanmar.net/en/weapons-power-and-money-how-rare-earth-mining-in-kachin-enriches-a-tatmadaw-ally/>

<sup>5</sup> <https://home.treasury.gov/news/press-releases/jy1555>

<sup>6</sup> For more information on copper exports, please see:

<https://tradingeconomics.com/myanmar/exports/copper#:~:text=Myanmar%20Exports%20of%20copper%20was,u pdated%20on%20August%20of%202023>. For more information on overall mineral exports, see:  
<https://www.frontiermyanmar.net/en/collapse-in-minerals-exports-robs-junta-of-key-revenue/>

<sup>7</sup> <https://www.rfa.org/english/news/myanmar/mining-04262023173338.html>

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<sup>8</sup> List of Goods Produced by Child Labor or Forced Labor. See <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods> ; <https://www.dol.gov/agencies/ilab/resources/reports/child-labor/burma>

<sup>9</sup> According to Forest Trends, Burma's trade partners imported approximately \$500 worth of forest products. For more information, see: <https://www.forest-trends.org/publications/myanmars-timber-trade-since-the-coup/>

<sup>10</sup> For more information, see: <https://www.forest-trends.org/publications/myanmars-timber-trade-one-year-since-the-coup/>

<sup>11</sup> <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>

<sup>12</sup> ILO Myanmar Labor Market Update 2023 [https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-yangon/documents/briefingnote/wcms\\_888644.pdf](https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-yangon/documents/briefingnote/wcms_888644.pdf)

<sup>13</sup> Myanmar kyat/US dollar market rate is 3400 kyat/dollar as of July 26, 2023

<sup>14</sup> [https://www.ilo.org/gb/GBSessions/GB349/ins/WCMS\\_894548/lang--en/index.htm](https://www.ilo.org/gb/GBSessions/GB349/ins/WCMS_894548/lang--en/index.htm)

<sup>15</sup> World Bank Myanmar Economic Monitor <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099062823041522943/p1791060533bdb01b0ae0a0c82f34c1c320>

<sup>16</sup> For more information, see: <https://www.business-humanrights.org/en/from-us/briefings/falling-out-of-fashion-garment-worker-abuse-under-military-rule-in-myanmar/>

<sup>17</sup> <https://www.state.gov/reports/2023-trafficking-in-persons-report/burma/>

<sup>18</sup> [https://www.ilo.org/gb/GBSessions/GB349/ins/WCMS\\_894548/lang--en/index.htm](https://www.ilo.org/gb/GBSessions/GB349/ins/WCMS_894548/lang--en/index.htm)