

25 May 2021

Mr. Josep Borrell Fontelles
High Representative of the Union for Foreign Affairs and Security Policy
Vice-President of the European Commission
European External Action Service

European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels
Belgium

Dear Mr. Vice-President,

On behalf of Transparency International, I would like to express my concern regarding the continued revenue flow to the Myanmar military junta from oil and gas companies, operating under Myanma Oil and Gas Enterprise, which are using accounts in the EU banks.

Transparency International is a non-partisan, global anti-corruption movement with an International Secretariat based in Berlin. We raise awareness about the devastating effects of corruption and advocate for systemic change. We also provide research for policymakers committed to fighting corruption worldwide, such as a 2019 study on the state of corruption in Myanmar,¹ which we prepared upon the Commission's request.

Since the military coup on 1 February 2021, at least 781 Myanmar citizens have been killed. Attacks on peaceful civilians, including on women and children, continue every day and the military has showed no interest in changing course.

The EU has taken certain steps to sanction junta leaders and their economic interests, yet revenues continue to flow to the regime through the oil and gas sector payments to the state-owned enterprise, Myanma Oil and Gas Enterprise (MOGE) via intermediary banks, which are now under the complete and illegitimate control of military leaders.

Oil and gas revenues in Myanmar are estimated to amount to EUR 1.25 billion for the years 2021-2022. The junta will likely use these revenues to sustain its control of the government apparatus, finance atrocities against the local population, purchase arms and seize portions for private gain.

¹ Transparency International's Anti-Corruption Helpdesk (3 June 2019). *Overview of corruption and anti-corruption in Myanmar*. Accessible at: <https://knowledgehub.transparency.org/helpdesk/overview-of-corruption-and-anti-corruption-in-myanmar>

To help prevent that from happening, we urge you to sanction MOGE and intermediary banks collecting the revenues.

Intermediary banks such as Myanma Foreign Trade Bank (MFTB) and Myanma Investment and Commercial Bank (MICB) have continued to receive foreign exchange payments. Payments for one pipeline transporting gas are directed to an MFTB account held by a correspondent bank in Germany. MFTB credits the junta-controlled entities, such as MOGE, in Myanmar currency at MICB which then rations the government's foreign currency to the regime's other agencies, including the military, based on the government's foreign exchange budget. MFTB and MICB are now under the illegitimate control of the military junta.²

Our request to cut off revenue to the MOGE echoes the call from over 440 civil society organisations in Myanmar and the Committee Representing the Pyidaungsu Hluttaw.³

The EU has now an opportunity to stand up for its values and show its commitment to the fight against corruption and the respect of rule of law, whereby it consequently prevents further crimes against humanity and significantly curbs the military's ability to sustain the coup.

Transparency International would welcome the opportunity to discuss the above matter with you. We also stand ready to provide further evidence and information on the infrastructure used by the junta, extending to the EU financial system.

With best regards,



Daniel Eriksson
Chief Executive Officer

² For details, please see attachment 2 of this letter, *Myanma Gas Revenues: Policy Options* (Hardman, Simons, Te)

³ Please see attachment 3 of this letter: *Call Concerning Revenue Payments by Oil and Gas Companies in Myanmar*.