

REGULATORY UPDATE

Control of Cross-border Movement of Physical Currency and Bearer Negotiable Instruments Law

1. Background

The Macau Special Administrative Region (hereinafter, the “Macau SAR”) is a member of the Asia/ Pacific Group on Money Laundering (“APG”). In turn, APG is also part the Financial Action Task Force (hereinafter “FATF”), which is a part of OCDE.

FATF recently established 40 mandatory recommendation for their members jurisdictions and one of them, “R32”, urges their members to set up, in their legislation, a system of detection and control of cross-border movement of physical currency and bearer negotiable.

Therefore, as a member of APG, Macau SAR has an obligation to implement the aforesaid system. In addition there is currently an ongoing evaluation conducted by APG, titled “The Macau SAR- Money Laundering and Terrorist Financing- Risk Assessment Report”.

In view of these circumstances, the Macau SAR Government approved, on the 31st of May 2017, the Control of Cross-border Movement of Physical Currency and Bearer Negotiable Instruments Law (herein the “Law”), which will be effective on the 1st November 2017

2. Amendments

The Law applies to any individual who arrives or departs from Macau SAR, carrying physical currency or bearer negotiable instruments with a total value equal to or exceeding MOP\$120,000.00.

3. Competent Authority

The Macau Customs Service is the competent authority to enforce the duties incumbent in the Law, namely by:

- (i) Approaching visitors, randomly or according to certain indicators, soliciting them to provide additional information and present their passports/other identification documents, tickets, invoices relating to the source of the cash and bearer negotiable instruments;
- (ii) Examining the baggage, reviewing the contents and carrying out a personal review, checking the goods and objects brought by them or concealed in clothing or accessories.

If there is any indication that the source of the cash or the bearer negotiable instruments are associated with illicit actives, such as money laundering or financing of terrorism, the Macau Customs Service will:

- (i) Notify the Judiciary Police;
- (ii) Prepare a report containing the type and total amount involved;
- (iii) Seal the amount in an adequate envelope.

In addition, the Macau Custom Services will create a database to store all the gathered information. The purpose of the database subsists in detecting and preventing cross-border movement of physical currency or bearer negotiable instruments, in contemplation of money laundering or financing of terrorism.

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4. Procedure

4.1 Declaration System and Customs Control

For incoming passengers carrying physical currency or bearer negotiable instruments with a total value equal to or exceeding MOP\$120,000.00, there is a duty to fill in a written declaration to present to the customs agents.

Further, at any customs points with a double circuit custom system, passengers who are obliged to hand in a written declaration, should pass through the Red Channel.

Furthermore, passengers who are departing from Macau SAR are only obliged to declare if requested by any customs agents.

5. Sanctions

The disclosure of incomplete information, declaration that does not correspond to the truth or the non-compliance with the filling of the written declaration, will entail in an administrative infraction, punishable with a corresponding fine of 1 to 5% of the amount that exceeds MOP\$120,000.00, which is never below MOP\$1,000.00 or above MOP\$500,000.00.

Should you have any queries, please do not hesitate to contact us at mdme@mdme.com.mo or:



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