



澳門金融管理局
AUTORIDADE MONETÁRIA DE MACAU

ANTI-MONEY LAUNDERING (AML) AND COMBATING THE FINANCING OF TERRORISM (CFT) GUIDELINE ON CASH TRANSACTIONS

1. INTRODUCTION

- 1.1 This “AML/CFT Guideline on Cash Transactions” is to supersede the relevant one promulgated by the Monetary Authority of Macao (AMCM) under Notice no. 011/2006-AMCM dated 1st November 2006.
- 1.2 The objective of the Guideline is to provide guidance on the establishment of ongoing monitoring system for cash transactions, in addition to the common set of standard anti-money laundering (AML) and combating the financing of terrorism (CFT) procedures for financial institutions.
- 1.3 The Guideline has coped with the requirements laid down in Administrative Regulation no. 7/2006, Law no. 2/2006 and Law no. 3/2006 for taking customer due diligence measures and reporting of suspicious money laundering and/or terrorist financing transactions. According to Article 7 of the Administrative Regulation aforementioned, all entities subject to the supervision of AMCM shall report any transactions indicating signs of money laundering and/or financing of terrorism crime to the Financial Intelligence Office (GIF¹) within the prescribed time limit.
- 1.4 In order to raise awareness of authorized institutions and their staff regarding the need to combat money laundering and terrorist financing, this Guideline is to supplement the “AML/CFT Guideline for Financial Institutions” promulgated by AMCM to establish additional control systems for occasional and cash transactions and to extend the scope to moneychangers, cash remittance companies and other financial institutions dealing with the transactions.

2. SCOPE OF APPLICATION

- 2.1 This Guideline is applicable to the following financial institutions (hereinafter referred to as “institutions”) when conducting cash transactions:
 - 2.1.1 Institutions authorized under Decree-Law no. 38/97/M and 39/97/M of 15th September and other laws to carry out money changing activities in Macao;

¹ Portuguese abbreviation for the “Gabinete de Informação Financeira (Financial Intelligence Office)” established by Despacho of Chief Executive no. 227/2006.



澳門金融管理局
AUTORIDADE MONETÁRIA DE MACAU

- 2.1.2 Institutions authorized under Decree-Law no. 15/97/M of 5th May to carry out cash remittance activities in Macao;
 - 2.1.3 Institutions authorized under Decree-Law no. 51/93/M of 20th September to carry out financial leasing activities in Macao;
 - 2.1.4 Institutions authorized under Decree-Law no. 54/95/M of 16th October to carry out venture capital activities in Macao;
 - 2.1.5 Institutions authorized under Decree-Law no. 25/99/M of 28th June to carry out assets management activities in Macao.
- 2.2 This Guideline is also applicable to the following financial institutions (hereinafter referred to as “institutions”) when conducting cash transactions with the customers without establishing or maintaining account relationship:
- 2.2.1 Credit institutions, finance companies, financial intermediaries and any other financial institutions, locally incorporated and/or branches of overseas institutions, authorized under the Financial System Act (FSA) approved by Decree-Law no. 32/93/M of 5th July;
 - 2.2.2 Offshore financial institutions, excluding those institutions engaging in insurance activities, authorized under the Offshore Regime of Decree-Law no. 58/99/M of 18th October and precedent law.

3. DEFINITION OF CASH TRANSACTIONS

- 3.1 Cash transactions refer to:
- 3.1.1 Transactions where deposits and withdrawals are made in cash or by cheques in any currencies.
 - 3.1.2 Transactions where money is exchanged or remitted in cash or by cheques in any currencies;
 - 3.1.3 Transactions that are made frequently in short periods of time and accompanied by exchange or remittance in cash or by cheques in any currencies;
 - 3.1.4 Transactions where large amount of small denomination coins or bills in any currencies are exchanged or remitted;
 - 3.1.5 Any other transactions which involve receipt or payment in cash or cheques including encashment of traveller’s cheques, money/postal orders, bank drafts or other monetary instruments in any currencies.



澳門金融管理局
AUTORIDADE MONETÁRIA DE MACAU

4. REQUIREMENTS FOR RECORD KEEPING AND IDENTIFICATION OF CUSTOMERS

4.1 For any cross border and domestic wire transfers / remittances, in amount equal to or exceeding MOP / HKD 8,000² or equivalent in any other currencies, or any other cash transactions specified in 3.1 above, in amount equal to or exceeding MOP / HKD 20,000³ or equivalent in any other currencies, proper records covering the following information should be kept:

4.1.1 Outward remittances

- a) Transaction date and reference number;
- b) Transaction type, currency, amount and value date of the remittance;
- c) Instruction details (including name, address or account number of beneficiary, name and address⁴ of beneficiary institution, and remitter's message to beneficiary, if any);
- d) Name and valid identification document (issued by a governmental authority) of remitter or his representative should be verified and recorded if appearing in person;
- e) Telephone number and address of remitter.

4.1.2 Inward remittances

- a) Transaction date and reference number;
- b) Transaction type, currency, amount and value date of the remittance;
- c) Instruction details (including name, address or account number of beneficiary and remitter, name and address⁵ of remitting institution, and remitter's message to beneficiary, if any);

² Without prejudice to the stipulations in other specific laws and regulations, e.g. Decree-Law no. 15/97/M of 5th May on cash remittance activities.

³ Same as footnote 2 above.

⁴ Address of institution can be office address or swift, telex, telegram address code or other standard code that is identifiable.

⁵ Same as footnote 4 above.



澳門金融管理局
AUTORIDADE MONETÁRIA DE MACAU

- d) Name and valid identification document (issued by a governmental authority) of beneficiary should be verified and recorded where the beneficiary appears in person.

4.1.3 Money changing transactions

- a) Transaction reference number;
- b) Date and time of transaction;
- c) Currencies and amount exchanged;
- d) Exchange rate;
- e) Name, number and type of identification document of customer;
- f) Telephone number or address of customer.

4.1.4 Encashment transactions

- a) Transaction date and reference number;
- b) Instrument type, currency and amount;
- c) Exchange rate;
- d) Name, number and type of identification document of customer;
- e) Telephone number, or address or account number if any, of customer.

- 4.1.5 For any other cash transactions, similar relevant information specified above should be recorded.

4.2 Name, number of identity card (*Bilhete de Identidade de Residente Permanente*, *Bilhete de Identidade de Residente Não Permanente* or other equivalent identification documents) or travel document, and place of issue are the necessary identification information to be recorded. The institutions should exercise reasonable measures to verify the identity of the customer by reference to the identification documents. Institutions should also understand whether the cash transactions are realized by a customer on behalf of some other persons. In such case, the identification information of all the persons involved in the transactions should be recorded.

4.3 If the remittances mentioned in 4.1.1 above are contained within a batch transfer, all the specified information should also be maintained with the batch.



澳門金融管理局
AUTORIDADE MONETÁRIA DE MACAU

- 4.4 If institutions are to act as intermediaries for forwarding the remittances mentioned in 4.1.1 and 4.1.2 above, all the specified information should also be maintained when forwarding.
- 4.5 Institutions covered in the Guideline shall not carry out the transactions for a customer unless the information specified in 4.1 to 4.3 above is recorded. For the originator information in inward remittances specified in 4.1.2 above, the institutions should try to obtain and record the information if not available. In the event that such originator information is not obtainable, institutions should consider this as one of the factors for suspicion.
- 4.6 The records of the transactions, business correspondence if any and the required customer information should be kept for at least 5 years (without prejudice to the stipulations in other laws and regulations⁶) from the date of completion of the transactions and should be available on a timely basis to the competent authorities in Macao for investigation when necessary.

5. ONGOING MONITORING OF HIGH RISK CASH TRANSACTIONS

- 5.1 Institutions should have monitoring system for high-risk cash transactions. For the purpose of the Guideline, any cash transactions equal to or exceeding MOP/HKD 250,000 or equivalent in any other currencies are considered high-risk cash transactions that should be subject to additional control measures and ongoing monitoring as follows:
- 5.1.1 The transactions should be countersigned or sanctioned by officers with appropriate authority;
- 5.1.2 Adequate customer due diligence measures should be applied, which include verification of identification, source of fund and purpose of the transactions of the customers;
- 5.1.3 Periodic reports listing the high-risk cash transactions should be submitted to the AML/CFT Compliance Officer or other officers with appropriate authority where applicable for reviewing and monitoring;
- 5.1.4 Periodic reports of the high-risk cash transactions, the related documents and information should be properly filed in accordance with 4.6 above and available on a timely basis to the competent authorities in Macao for investigation when necessary.

⁶ For example, article 49 of the Commercial Code imposes a minimum period of 10 years for the keeping of all the books, correspondence and other documentation related to the activity of financial institutions and other companies.



澳門金融管理局
AUTORIDADE MONETÁRIA DE MACAU

6. REPORTING OF SUSPICIOUS TRANSACTIONS

- 6.1 Transactions indicating signs of money laundering crime and/or financing of terrorism crime as prescribed in Law no. 2/2006 and Law no. 3/2006, or transactions suspiciously involving converting, transferring or disseminating illegally obtained funds or properties in order to conceal the true ownership and origin of the funds or properties to make them appear to have originated from a legitimate source, are considered suspicious money laundering and/or terrorist financing transactions, or in abbreviation, suspicious transactions.
- 6.2 As required by Article 7 of Administrative Regulation no. 7/2006, the institutions covered in the Guideline should report any suspicious transactions to the Financial Intelligence Office (GIF) within the prescribed time limit. Institutions should also consider making a suspicious transaction report to GIF when unable to complete transactions (attempted transactions), or customer due diligence, regardless of whether the relationship has commenced or not.
- 6.3 The report of suspicious transactions should include the information specified in 4 above.
- 6.4 Shareholders, board members, employees, auditors, advisors, mandataries and any other persons of the institutions covered in the Guideline cannot disclose to customers or third parties any information related to suspicious transactions that is obtained during the course of their duties, pursuant to Paragraph 4 of Article 7 of Law no. 2/2006 and Article 11 of Law no. 3/2006.
- 6.5 According to paragraph 3 of Article 7 of Law no. 2/2006 and Article 11 of Law no. 3/2006, any entities reporting suspicious transactions in good faith are legally protected from assuming any responsibility and are not considered having violated any secrecy obligation.
- 6.6 Non-compliance with the reporting obligation stipulated in Article 7 of Administrative Regulation no. 7/2006 will constitute an administrative offence, punishable by a fine from ten thousand (MOP 10,000) to five hundred thousand Macao patacas (MOP 500,000) for a natural person and from one hundred thousand (MOP 100,000) to five million Macao patacas (MOP 5,000,000) for a legal entity, in accordance with Paragraph 1 of Article 9 of the same Administrative Regulation, or, when the economic benefit obtained from the money laundering activity exceeds a value more than half the maximum amount (i.e. MOP 250,000 for natural persons or MOP 2,500,000 for legal entities), the value of the fine will be double of the economic benefit, as laid down in Paragraph 3 of Article 9 of the said Administrative Regulation. At the same time, any non-compliance with the requirements of the Guideline will



澳門金融管理局
AUTORIDADE MONETÁRIA DE MACAU

also constitute administrative offence, punishable by the penalty measures under Chapter II of Part IV of the Financial System Act.

- 6.7 Reporting of suspicious transactions should be made in the standard form prescribed by GIF.

7. FINAL PROVISIONS

- 7.1 This Guideline will come into effect from 1st September 2009.
- 7.2 Institutions should ensure its overseas subordinate establishments, if any, to comply with the present Guideline to the extent that the laws and regulations of the host jurisdictions permit, and should pay special attention to whether the AML/CFT measures similar to those outlined in the Guideline are sufficiently applied in the host jurisdictions. In the event that there is difference in such measures, institutions should apply the ones of higher standard. If any such overseas establishments could not comply with the Guideline because this is prohibited by the laws and regulations of the host jurisdictions, institutions should advise the AMCM in writing.
- 7.3 Any queries about the implementation of the Guideline should be directed to the Banking Supervision Department of the AMCM.