

Guidelines on Combating Money Laundering and Terrorism Financing

I. Purpose

In view of the specialty of the activities taken by the Legal Office, the guidelines aim at fulfilling the prerequisite of the preventive obligation which will be carried out for combating money laundering and terrorism financing. The procedures which should be complied with when meeting the relevant obligation should be also provided.

Based on this, according to article 6(5) of the Law 2/2006 (Prevention and Suppression of Money Laundering) and article 11 of the Law 3/2006 (Prevention and Suppression of Crimes of Terrorism), the Independent Committee of Disciplinary Authority of the Legal Office exercises the power of surveillance vested by article 2(1)(4) and article 2(2) of the Administrative Regulation No. 7/2006 (Precautions to Money Laundering and Terrorism Financing) to enact the guidelines.

II. Applicable subjective entity scope

The stipulations of the guidelines are applicable to the legal office as those entities have been incorporated into the main entity scope of preventive regulations for combating money laundering and terrorism financing, and those entities shall be under surveillance of the Independent Committee of Disciplinary Authority of the Legal Office to meet the relevant obligation.

III. Applicable objective entity scope

The stipulations of the guidelines are applicable to the activities and acts involved in :

1. buying and selling immovable property;
2. managing a client's money, marketable securities or other assets;
3. managing a bank account, saving account or marketable securities account;
4. financing for establishing, operating or managing a company;
5. establishing, operating or managing a corporate body or an entity without a legal personality, or a trading commercial entity.

IV. Identifying the obligation

1. If there are signs showing that the crime of money laundering or terrorism financing has been committed in the activities indicated in paragraph III; or the amount of money exceeds MOP500,000.00(five hundred thousand patacas), or the equivalent value in foreign currency, at one time or by many times, in the activities pointed out at III 1, 4 and 5; or the amount of money exceeds MOP50,000.00(fifty thousand patacas, or the equivalent value in foreign currency, at one time or by many times, in the activities indicated at III 2 and 3, a registration must be recorded appropriately by order numbers and the following information should be included:

- (1) the basic legal acts of the relevant activities (refer to the types set out in the items of III);

- (2) the dates of the relevant activities;
 - (3) recognition of the identification of the party, his/ her representatives and the trustee, including the name, type, number and issued date of the ID document. A photo must be shown on the ID document of the party, the representatives and the trustee, and it should be checked personally;
 - (4) to identify the information of the basic legal acts of the relevant activities, especially the object (identification of the information of the immovable property or the corporate body), amount of money(price and company capital), and the applied ways for payment (cheque, bank transfer, cash—in Macao currency or foreign currency);
 - (5) If possible, other identification information of the party, his/ her representatives and the trustee in the relevant activities has to be registered for better identification, including the nationality, permanent address, date and place of birth, profession, the employer entity or the business run by himself, telephone and mobile phone number, and other information (including the source of capital) of the legal acts taken by those people.
2. In order to confirm if the legal act and other legal acts have totally exceeded the amount mentioned in the previous paragraph, other relevant activities carried out by the same party, his/ her representatives or the trustee, and even if through the different party, his/ her representatives or the trustee within the previous 60 days to the relevant acts should also be noticed.
 3. The relevant activities must be rejected when the party, his/ her representatives and the trustee refuse to provide the necessary information to comply with the obligation of their identification and the identification of the

obligation of the basic legal act of the relevant act, except for the information listed in paragraph 1(5) of this section.

4. The record mentioned in this section must be preserved for at least 5 years, counted from the date of the registration, and it must be available for the purpose of surveillance on the fulfillment of the preventive obligation by the Independent Committee of Disciplinary Authority of the Legal Office. If, by any reasons, the activity ceases, the record, with all collected documents, must be handed to the Independent Committee of Disciplinary Authority of the Legal Office for preservation.

V. Obligation to report suspicious activities

1. If there are signs showing that the party, his/her representative or the trustee has committed the crime of money laundering or terrorism financing (even though it is committed by any means of joint offense) in the basic legal act of the relevant activities, the act should be reported to the financial information office in two working days counting from the date the activities and acts being taken.

2. If the information of identification indicated in IV 1(6) is refused to provide, and there are signs showing that the crime of money laundering or terrorism financing has been committed after considering the abnormal situations in the relevant activities, the report said in the previous paragraph must be given.

3. When a person, who plays an important role in public office, his close

relatives, the shareholders in his company, the members of his association or his consultants take part in the relevant activities, an attention should be drawn that if any signs showing that the crime of money laundering or terrorism financing has been committed in the relevant basic legal act.

4. It will not be disclosed to the party, his/ her representatives, the trustee and the third party if it is believed that the crimes of money laundering or terrorism financing have been committed in the basic legal act of the relevant activities. Even if the financial information office has been informed because of the signs, the incident must not be discovered to those people.

5. The form for reporting suspicious activities placed on Annex 1 of the guidelines. The copies of all the documents for the fulfillment of preventive obligation and the copies of the documents which are the proof of the relevant activities are attached to the report of reporting suspicious activities.

VI. Obligation to Cooperation

1. It is necessary to provide all the information and documents requested by the authorities which are competent to prevent and suppress the crimes of money laundering and terrorism financing, especially the Financial Information Office, the Public Prosecution Office and the Court.

2. The cooperation mentioned in the previous paragraph should not be

disclosed to the party, his/ her representatives, the trustee and the third party, who are involved in the provided information or documents.

VII. Annual Report

1. By the end of 31st of January every year, a statistic report which is used for evaluating and monitoring the conditions of fulfillment of the preventive obligation to combating money laundering and terrorism financing will be delivered to the Independent Committee of Disciplinary Authority of the Legal Office, which includes:
 - (1) the date of the relevant activities;
 - (2) the type of the relevant activities;
 - (3) the date and the type of the suspicious activities;
 - (4) the date of the report about the suspicious activities to the financial office.

2. The form of the annual report is placed on the ANNEX II of the guidelines.

VIII. Penalty

1. Pursuant to article 9(1) of the Administrative Regulation No. 7/2006, an administrative offender who does not meet the preventive obligation with intent or by fault should be fined from MOP 10,000.00(ten thousand patacas) to MOP500, 000.00(five hundred thousand patacas), and the liable criminal or disciplinary liability would not be affected.

2. However, if the financial advantage is more than MOP 250,000.00(two hundred fifty thousand patacas) because the obligation was not fulfilled, the maximum fine will be two times of the advantage.

IX. To Become Effective

The guidelines will take effect from the 12th of November, 2006.