

## **MACAO SPECIAL ADMINISTRATIVE REGION**

### **Administrative Regulation No. 7/2006**

#### **Preventative measures for the crimes of money laundering and financing of terrorism**

The Chief Executive, having consulted the Executive Council, decrees, pursuant to Article 50 (5) of the Basic Law of the Macau Special Administrative Region, to Article 8 (1) of No. Law 2/2006 and to Article 11 of Law No. 3/2006, the following with the force of administrative regulation:

#### **CHAPTER I**

#### **General provisions**

##### **Article 1**

##### **Object**

This administrative regulation regulates the prerequisites and contents of the duties relative to the prevention of the criminal offences of money laundering and financing of terrorism and establishes the supervisory system for compliance and the framework of the applicable penalties in case of non-compliance.

##### **Article 2**

##### **Supervisory authorities**

1. Compliance with the duties established in this administrative regulation falls under the supervision of:

- 1) The Macao Monetary Authority, the Gaming Inspection and Coordination Bureau and the Macao Trade and Investment Bureau, in relation to the entities subject to their respective supervision;
- 2) The Finance Department, in relation to auditors, accountants and tax advisers;
- 3) The Macao Lawyers Association, in relation to lawyers;

- 4) The Independent Commission for the Exercise of the Disciplinary Power over Solicitors, in relation to solicitors;
- 5) The Legal Affairs Bureau, in relation to notaries-public and registrars;
- 6) The Macau Economic Department, in relation to other entities.

2. The supervisory authorities are responsible for the implementation of the prerequisites referred to in Article 3 (1) and Article 7, as well as the systematization of the procedures for compliance with the duties referred to in the following articles, through instructions communicated by one of the following means:

- 1) General notice, registered letter or recorded delivery by hand;
- 2) Notice or normative act to be published in the Official Gazette of the Macao Special Administrative Region.

3. The supervisory authorities shall inform the Procuratorate whenever they become aware, in the exercise of their supervisory competences, of facts that lead them to suspect the commission of the crimes of money laundering or financing of terrorism.

## **CHAPTER II**

### **Duties**

#### **Article 3**

##### **Duty to identify the contractors, clients and patrons**

1. An identity document of the contractors, clients or patrons shall be demanded in all of the following cases:

- 1) When the operations might indicate the commission of the crimes of money laundering or financing of terrorism, due to, inter alia, their nature, complexity, amounts involved, volume or non-habitual occurrence, relative to the activity of the contractor, client or patron;

2) When the operations exceed, either each one taken individually or all of them taken together, the amounts for such purpose established under paragraph 2 of the previous Article.

2. The duty to identify also includes the representatives of the contractors, clients or patrons.

3. Whenever there is knowledge of the fact, or there are grounds for suspicion, that the contractor, client or patron is not acting on his own, the duty to identify shall entail obtaining from such contractor, client or patron information concerning the identity of the person for whom he or she is acting.

#### **Article 4**

##### **Duty to identify the operations**

In the cases established in the previous article, written information concerning the operation, regarding inter alia its nature, object, amount and the methods of payment employed, shall be recorded.

#### **Article 5**

##### **Duty of refusing to perform operations**

The performance of any operation in the absence of elements necessary for the compliance of the duties prescribed in Articles 3 and 4 shall be refused.

#### **Article 6**

##### **Duty of keeping the certifying documents**

1. The identity documents referred to in Articles 3 and 4 must be kept for a period of 5 years.

2. The documents referred to in the previous paragraph may be substituted by microfilms or transferred to a digital platform, in which case Articles 47, 48 and 49 (2) of the Commercial Code shall be applicable with the necessary adaptations.

## **Article 7**

### **Duty to communicate the operations**

The operations that might provide indicia of the commission of the crimes of money laundering or financing of terrorism, due to, inter alia, their nature, complexity, amounts involved, volume or non-habitual occurrence, relative to the activity of the contractor, client or patron, must be communicated to the entity referred to in Article 8 (2) of Law No. 2/2006 within 2 working days following the performance of such operations.

## **Article 8**

### **Duty to co-operate**

All assistance, especially the disclosure of information and the delivery of documents, shall be provided to, as and when requested by, the competent authorities for the prevention and suppression of the crimes of money laundering and financing of terrorism.

## **CHAPTER III**

### **Framework of penalties**

## **Article 9**

### **Administrative infractions**

1. Non-compliance with the duties established in Articles 3 to 8 of this administrative regulation and in Article 7(4) of Law No. 2/2006 constitutes an administrative offence, punishable with a fine of \$10,000.00 (ten thousand patacas) to \$500,000.00 (five hundred thousand patacas), or \$100,000.00 (one hundred thousand patacas) to \$5,000,000.00 (five million patacas), depending on whether the offender is a natural or legal person.

2. Negligence is punishable.

3. When the economic benefit obtained by the offender from the commission of the infraction exceeds half of the maximum limit established in paragraph 1, such limit shall be raised to the double of such benefit.

## **Article 10**

### **Procedure**

1. The authorities referred to in Article 2(1) are competent, within their respective area of supervision, for the institution and preparation of the enforcement procedure relative to administrative infractions.

2. The Chief Executive is competent to render the final decision, which is preceded by a proposal from the enforcing authority; the Chief Executive's competence may be delegated.

3. The application of the penalty and the payment of the respective fine do not release the offender, whenever that is still possible, from compliance with the duty.

## **Article 11**

### **Subsidiary law**

In the absence of a specific provision in this administrative regulation, the general framework for administrative infractions and respective procedure, approved by Decree-Law No. 52/99/M, of 4 October, shall be subsidiarily applicable.

## **CHAPTER IV**

### **Final and transitory provisions**

## **Article 12**

### **Transitory norm**

Until such time as the competences referred to in Article 8 (2) of Law No. 2/2006 are conferred, all communications for the purpose of Article 7 of this administrative regulation shall be made to the Judiciary Police.

## **Article 13**

### **Entry into force**

This administrative regulation enters into force 180 days following its publication.

Approved on 7 April 2006.

To be published.

The Chief Executive, *Ho Hau Wah*.