



1st Follow-Up Report

Mutual Evaluation of Macao, China

October 2019





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MACAO, CHINA: 1ST REGULAR FOLLOW-UP REPORT 2019

I. INTRODUCTION

1. The mutual evaluation report (MER) of Macao, China was published in December 2017. This follow-up report (FUR) analyses the progress of Macao, China in addressing the technical compliance deficiencies identified in its MER. Technical compliance re-ratings are given where sufficient progress has been demonstrated. This report also analyses progress made in implementing new requirements relating to FATF Recommendations which have changed since the MER was adopted: Recommendations 2, 5, 7, 18 and 21. This report does not analyse any progress Macao, China has made to improve its effectiveness. Macao, China's progress on improving effectiveness will be analysed as part of a later follow-up assessment and, if found to be sufficient, may result in re-ratings of Immediate Outcomes at that time.

2. The assessment of Macao, China's request for technical compliance re-ratings and the preparation of this report was undertaken by the following experts:

- *Rachel Vaughan, Director for Asia/Africa, Office of Global Affairs, Terrorist Financing and Financial Crimes, US Department of the Treasury*
- *Andrew Holmes, Auckland AML Operations Manager, AML Group, Regulatory Services, Department of Internal Affairs, New Zealand*
- *Mohammad Afzaal Khattak, Sr. Joint Director, State Bank of Pakistan*
- *Binod Lamichhane, AML Cell, Ministry of Finance, Nepal*
- *Marnie Campbell, Deputy Director Mutual Evaluations, APG Secretariat*

3. Section III of this report summarises the progress made to improve technical compliance. Section IV contains the conclusion and a table illustrating Macao, China's current technical compliance ratings.

II. FINDINGS OF THE MUTUAL EVALUATION REPORT

4. Macao, China's original MER ratings¹ are as follows:

R 1	R 2	R 3	R 4	R 5	R 6	R 7	R 8	R 9	R 10
LC	LC	LC	C	LC	C	C	LC	C	C
R 11	R 12	R 13	R 14	R 15	R 16	R 17	R 18	R 19	R 20
C	C	C	C	C	LC	C	C	C	C
R 21	R 22	R 23	R 24	R 25	R 26	R 27	R 28	R 29	R 30
C	PC	PC	LC	LC	C	C	LC	C	LC
R 31	R 32	R 33	R 34	R 35	R 36	R 37	R 38	R 39	R 40
C	NC	LC	C	C	LC	C	LC	LC	LC

IO 1	IO 2	IO 3	IO 4	IO 5	IO 6	IO 7	IO 8	IO 9	IO 10	IO 11
Mod	Sub	Sub	Mod	Sub	Sub	Low	Low	Mod	Sub	Sub

5. Given these results, Macao, China was placed in regular follow-up.

¹ There are four possible levels of technical compliance: compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC).

III. TECHNICAL COMPLIANCE RECOMMENDATIONS REVIEWED

6. This section summarises the progress made by Macao, China to improve its technical compliance by:

- a) addressing the technical compliance deficiencies identified in the MER, and
- b) implementing new requirements where the FATF Recommendations have changed since the MER was adopted.

4.1. Progress to address technical compliance deficiencies identified in the MER

7. Macao, China requested re-ratings of the following Recommendations: 32 (which was rated NC); and 22 and 23 (which were rated PC).

8. The APG welcomes the steps that Macao, China has taken to improve its technical compliance with Recommendations 22, 23 and 32. As a result of this progress, Macao, China has been re-rated to largely compliant with Recommendations 22, 23 and 32.

Recommendation 22 (Originally rated PC)

9. Macao, China was rated PC for R.22 in its 2017 MER. The main deficiencies were that the Gaming Inspection and Coordination Bureau (DICJ) AML/CFT Guideline did not contain expressed provisions for casinos to carry out CDD on occasional transactions above the designated threshold for transactions not classed as suspicious or large transactions except wire transfers conducted when an occasional transaction is equal to or exceeds MOP8,000 (approx. EUR937/US\$1,000).

10. Additionally, under the Macao Lawyers Association (AAM) AML/CFT Guideline, the Independent Commission for the Exercise of Disciplinary Powers over Solicitors (CIEPDSS) AML/CFT Guideline and the Legal Affairs Bureau (DSAJ) AML/CFT Guideline, there was no requirement to obtain the identification of the customer or their representatives for transactions under a threshold unless there was evidence of ML or TF. The DSAJ Guideline also required identification if there were doubts about the veracity or adequacy of the identification data of the parties involved. The AAM AML/CFT and CIEPDSS AML/CFT Guideline did not specify the requirements around timing of verification and applying CDD to existing customers. An explicit risk-based approach was not taken in the AAM and CIEPDSS AML/CFT Guideline. Not all requirements (e.g. beneficial ownership) under R.22 relating to R.10 were covered in the AAM and CIEPDSS AML/CFT Guideline (criterion 22.1).

11. Further; the AAM and CIEPDSS AML/CFT Guidelines did not specify the detailed requirements to keep CDD records and transactions records (criterion 22.2); there were no requirements pertaining to third parties for real estate, precious metals and stones and company service providers. There was no requirement in the Macao Trade and Investment Promotion Institute (IPIM), AAM and CIEPDSS AML/CFT Guidelines (criterion 22.5).

12. In terms of criterion 22.1, the DICJ AML/CFT guideline remains unchanged and does not contain expressed provisions for CDD to be carried out on occasional transactions above the FATF-designated threshold for transactions not classed as suspicious or large. However, the CDD requirements of article 9 of the DICJ guidelines capture patrons/beneficiaries involved in a stable business relationship; suspicious transactions; or large-sum transactions (MOP500,000 ~ USD62,500).

13. As outlined in the 2017 MER:

- The Financial Intelligence Office (GIF) has the ability to simultaneously check Report of Large Amount Transaction (ROVE) reports, DICJ's records of junket collaborators, Macao Customs Service (SA) records, Public Prosecution Office (MP) records, Judiciary Police (PJ) records, registry of Macao, China officials, and entities and individuals designated at the UN.

- GIF can use analysis tools to run reports based on a variety of criteria and can map out linkages to other individuals, entities, and transactions.

14. The AAM, CIEPDSS and DSAJ guidelines have removed the threshold for applying CDD requirements. The AAM and CIEPDSS 2018 Guidelines allow customers to carry out operations before identification and the requirements around the timing of identification are not specified. However, the beneficial ownership identification requirements in the AAM and CIEPDSS guidelines now cover beneficial ownership of legal arrangements.

15. Regarding criterion 22.2, the new revised AAM and CIEPDSS guidelines require records to be kept for five years and CCD documents are specified. The guidelines do not specify other documents to be kept under C.11.2 and C.11.3 or mention the evidentiary standard required. Article 6 of AR 7/2006 as amended by AR 17/2017 does not specify expressly that the results of any analysis undertaken be retained.

16. For criterion 22.3, the revised DICJ, DSAJ, CIEPDSS and AAM guidelines go some way to addressing the deficiencies in the definition of PEPs. Minor deficiencies remain, with CIEPDSS and AAM guidelines do not distinguish between domestic and foreign PEPs.

17. In terms of criterion 22.5, the DSE, Housing Bureau (IH), IPIM, AAM, CIEPDSS, Financial Services Bureau (DSF), DSAJ and DICJ guidelines now include requirements for reliance on third parties for the performance of CDD.

18. The deficiency in criterion 22.1 relating to occasional transactions in the gaming sector remains. However, amendments to DNFBP's guidelines have resulted in improvements in compliance with C22.1, C.22.2, and C.22.3.

19. **Macao, China is re-rated to largely compliant with Recommendation 22.**

Recommendation 23 (Originally rated PC)

20. Macao, China was rated PC for R.23 in its 2017 MER. The main shortcomings identified were deficiencies on attempted transactions in some sector specific AML/CFT Guidelines including the gaming sector (criterion 23.1), no explicit requirements for screening employees during the hiring stage except those in key positions in the gaming sector (criterion 23.2), for lawyers, real estate agents, precious metals and stones and company service providers there was no guidance covering the requirements relating to internal controls (criterion 23.2) and the AAM and CIEPDSS AML/CFT Guidelines did not include reference to high risk jurisdictions (criterion 23.3).

21. The revision of INR.18 to clarify the requirements on sharing of information related to unusual or suspicious transactions within financial groups, including providing this information to branches and subsidiaries when necessary for AML/CFT risk management (criterion 23.2); and the methodological revision of R.21 to clarify the interaction of R.18 requirements with tipping-off provisions (criterion 23.4) impact on the rating of this Recommendation.

22. In terms of criterion 23.1, the AML Law 2/2006 as amended by Law 3/2017 covers the duty to report attempted transactions when they indicate the commission of ML, regardless of the amount involved. As the AML Law is now clear, and it prevails over sectoral guidelines, the deficiencies in the requirement to report attempted suspicious transactions are now addressed.

23. Regarding criterion 23.2, the DICJ guidelines for the gaming sector remain unchanged. There are no explicit requirements for screening employees during the hiring stage, except those in key positions in the dominant gaming sector. There is no explicit requirement that the AML/CFT system in the gaming sector be subject to independent audit. Independent audit functions are required to be

implemented by gaming operators, which is a separate requirement of any supervisory action or testing of the AML/CFT system.

24. The amended guidelines of DSAJ, DSF, AAM, DICJ, DSE and IH to some extent comply with the internal controls requirements set out in R.18. However, the AAM and CIEPDSS guidelines do not have provisions for employee screening, ongoing employee training program or an independent audit function. The DSAJ guidelines do not mention employee screening procedures or the appointment of a compliance manager. The new requirements added to criterion 18.2 do not apply to DSAJ, AAM and CIEPDSS, but do apply to IPIM. The IPIM has not implemented the recent additions to c.18.2 to its guidelines, but the sector it supervises is very small thus no weight has been given to this minor deficiency.

25. For criterion 23.3, the AAM and CIEPDSS revised Guidelines for solicitors now cover high risk jurisdictions and require the application of enhanced CDD measures to transactions in which one or both parties are from high risk jurisdictions.

26. In terms of criterion 23.4, the new requirement to clarify the interaction of R.18 requirements with tipping-off provisions is addressed in the DNFBPs sector guidance, apart from that of IPIM. The IPIM sector is small in Macao, China, and this is only a minor shortcoming.

27. Amendments to DNFBPs guidelines and to the AML Law 2/2006 have addressed all deficiencies in criterion 23.1 and 23.3. Minor deficiencies remain, including that there are deficiencies in the IPIM guideline relating to criterion 23.2 and 23.4, no explicit requirement for screening junior employees and no explicit independent audit requirements in the gaming sector in relation to criterion 23.2.

28. **Macao, China is re-rated to largely compliant with Recommendation 23.**

Recommendation 32 (Originally rated NC)

29. Macao, China was rated NC for R.32 in its 2017 MER. Macao, China had no disclosure or declaration system for incoming and outgoing cross-border transportation of currency and bearer negotiable instruments (BNIs).

30. In terms of criterion 32.1, Macao, China has implemented a declaration/disclosure system, under the Macao, China Law 6/2017 on Control of Cross-border Transportation of Cash and Bearer Negotiable Instruments which came into effect on 1 November 2017. The definition of BNI in law 6/2017 is in line with the FATF definition of BNI. Law 6/2017 adopts a declaration system for incoming cross-border transportation of currency or BNIs above the designated amount of MOP120,000 (USD15,000) by natural persons. Where cash/BNI are owned by legal persons, a declaration is still required, with the ID information of the natural person carrying the money to be provided.

31. Law 6/2017 adopts a disclosure system for outgoing cross-border transportation of currency or BNIs above the designated amount of MOP120,000 (USD15,000) by natural persons. Individuals leaving Macao, China are required to declare cash/BNI above the threshold if requested by the customs officer.

32. According to Article 10 of the External Trade Act, Law no. 7/2003, for the import and export of goods which exceed a prescribed value of MOP5,000 (USD625), an import/export declaration is required.

33. Article 12 of the External Trade Act covers transportation of cash by mail as an external trade operation within the supervisory competence of Customs. Authorities indicate that as such the ETA covers transportation of cash and BNI by cargo and mail and is subject to a declaration regime. However criterion 32.1 requires explicit disclosure or declaration obligations for mail or cargo - the obligations in the Customs Law do not address that explicit obligation.

34. The External Trade Act, Law 7/2003 with amendments introduced by Law 3/2016, regulates the import, export and transit (external trade operations) through Macao, China of any merchandise or other goods which is in principle free with the exceptions regulated in that law (article 3). These exceptions are situations where the external trade operations may be in relation to certain merchandise or other goods either prohibited (article 5) or subject to license (article 9). In all other situations external trade operations are subject to a regime of declaration where value exceeds MOP5,000 (USD625). 'Other goods' is understood to cover cash and BNIs, although the ETA does not specifically mention them. Article 12 of the ETA places the supervision of external trade activities by mail under the supervisory competence of Customs.

35. Regarding criterion 32.2, Law 6/2017, and Chief Executive Order 227/2017, require any individual entering Macao, China, who is transporting currency and/or BNI equal to or above the designated amount of MOP120,000 (USD15,000) to declare in writing the amount being transported to the border authority. A disclosure system applies for outgoing cross-border transportation of currency or BNIs above the designated amount of MOP120,000 (USD15,000) by natural persons.

36. Additionally, Law 6/2017 stipulates that an individual entering Macao, China must choose between a green channel (not carrying cash/BNI above the designated amount) and a red channel (cash/BNI above the designated amount to declare). The choice of channel is considered to be an oral declaration. Sanctions are applicable for non/false declarations or disclosures.

37. For criterion 32.3, Law 6/2017, article 4, and Chief Executive Order 227/2017, require any individual leaving Macao, China, who is transporting currency and/or bearer negotiable instruments equal to or above the designated amount of MOP120,000 (USD15,000) to disclose that value to the Customs officers, if requested. Sanctions are applicable for non/false declarations or disclosures.

38. In terms of criterion 32.4, Law 6/2017 gives Customs officers the authority to request, on a random basis, or based on certain indicators, information from travellers regarding the source or destination of cash/BNIs. This can happen in cases where there are false declarations or failure to declare the required information.

39. For criterion 32.5, the sanction for non/false-declaration or disclosure available in Law 6/2017 is not proportionate and dissuasive. The sanction applicable for a false declaration/disclosure is a fine corresponding to 1% to 5% of the value exceeding the designated amount, but never less than MOP1,000 (USD125) or more than MOP500,000 (USD62,500). If the person reoffends within one year after the administrative sanction decision has become unchallengeable and less than five years after the previous infraction occurred, the minimum fine increases by a quarter and the maximum fine remains unchanged.

40. According to Law 7/2003 (External Trade Act) where goods are imported or exported without the required declaration, the person shall be subject to a fine from MOP1,000 (USD125) to MOP50,000 (USD6,250) and the goods involved shall be confiscated. False declaration results in a fine of MOP5,000 (USD625) to MOP100,000 (USD12,500) and the goods involved shall be confiscated.

41. The ETA contains sanctions concerning the non-declaration of transportation of cash through cargo or mail. Article 37 determines that failure to submit a declaration requested by any foreign trade operation subject to declaration is subject to a fine from MOP 1,000 (USD125) to MOP 50,000 (USD6,250) and the apprehension and confiscation of the non-declared merchandise or goods. False declaration will result in a fine of MOP 5,000 (USD625) to MOP 100,000 (USD12,500) and the apprehension and confiscation of the falsely declared merchandise or goods. This is valid for both cargo and mail as explained above in c.32.1.

42. Regarding criterion 32.6, Law 6/2017 provides that the data obtained under the declaration/disclosure process should be sent to the judicial police (PJ) and the competent authorities, which would include GIF, the FIU of Macao, China. This information is sent to GIF monthly, and includes the suspicious cash declaration cases referred to PJ for investigation.

43. In terms of criterion 32.7, there is adequate coordination among customs, immigration and other related authorities on issues related to the implementation of R.32. Macao, China's mechanism for interagency coordination and information sharing is the AML/CFT Working Group, which is chaired by GIF and also comprises representatives from PSP, PJ, Customs, MP, AMCM and SPU. In addition, GIF has held about seven meetings with Customs and other competent authorities from 2017 to April 2019 for the set up and implementation of the cross-border declaration system.

44. For criterion 32.8, Law 6/2017 requires Customs to restrain cash or BNI, until the arrival of the police, in cases where there are indicia of illicit activities such as ML/TF. A false declaration will trigger Customs' powers to restrain the cash and BNIs until the competent LEA arrives at the spot to conduct further inquiries and investigation.

45. In respect of criterion 32.9, information collected under law 6/2017 is to be input and kept in a database by Customs and retained for five years. This includes information submitted by written and oral declaration and disclosure and from border control inspections as well as information collected when there is a suspicion of ML/TF. The existence of a false declaration or disclosure triggers the starting of administrative procedures with the corresponding data included in the Customs database. The information collected includes the amount of currency or BNI declared/disclosed/detected and the identification data of the bearer/s. The requirement to retain information for five years may inhibit international cooperation in some cases if assistance/cooperation is sought after five years.

46. Customs can provide international cooperation and assistance through WCO and maintains cooperation mechanisms with a number of overseas counterparts. The information collected by Customs is also provided to GIF and PJ who also have powers to exchange information with their overseas counterparts.

47. For criterion 32.10, in handling of information collected through passenger declaration and disclosure for the formation of database, Law 6/2017 stipulates that the Director-General of the Customs Services shall be responsible for handling the database, in accordance with and for the purpose set forth in Law 8/2005 (Personal Data Protection Law), ensuring the right to information and the right to access the data by parties concerned, as well as ensuring the legality of the consultation, transmission or dissemination of information.

48. In terms of criterion 32.11, when there are indicia that cash/BNI may be associated with or the result of illegal activities or ML/TF, Law 6/2017 requires Customs to notify PJ to investigate and to seize the cash/BNI until the arrival of PJ.

49. Persons who are carrying out a physical cross-border transportation of currency that is related to ML/TF or predicate offences are subject to proportionate and dissuasive sanctions and measures consistent with R.4. These include the sentence of two to eight years of imprisonment under the AML Law 2/2006 and the CFT Law 3/2006

50. With the introduction of a declaration/disclosure system for incoming/outgoing cross-border transportation of currency and BNI by natural persons, Macao, China has addressed most of the deficiencies in R.32. Macao, China has minor shortcomings with regard to the declaration/disclosure of cash/BNI transported through mail or cargo and proportionate and dissuasive sanction of false or non-declaration/disclosure.

51. **Macao, China is re-rated to largely compliant with Recommendation 32.**

4.2. Progress on Recommendations which have changed since adoption of the MER

52. Since the adoption of Macao, China's MER, Recommendations 2, 5, 7, 18 and 21 have been amended. This section considers Macao, China's compliance with the new requirements.

Recommendation 2 (Originally rated LC)

53. In its 2017 MER, Macao, China was rated LC on R.2.
54. In February 2018, R.2 was revised to ensure compatibility of AML/CFT requirements and data protection and privacy rules, and to promote domestic inter-agency information sharing among competent authorities.
55. The AML/CFT Working Group brings together relevant authorities to ensure the compatibility of AML/CFT requirements with other legal and governance regimes in Macao, China, including rules related to data protections and privacy. Overall there do not appear to be Data Protection and Privacy obligations on FIs or DNFBPs that impede the AML/CFT requirements.
56. **Macao, China remains largely compliant with Recommendation 2.**

Recommendation 5 (Originally rated LC)

57. Macao, China was rated LC with R.5 in its 2017 MER.
58. In October 2016, R.5 and its Interpretive Note were revised to clarify the term “funds and other assets”; the term “funds” was replaced by “funds or other assets” in INR.5, to clarify that both R.5 and R.6 apply to the same scope of assets. In addition, the Glossary definition of the term “funds or other assets” was updated to further clarify that specific forms of support to terrorism highlighted in recent UN Security Council Resolutions (economic resources including oil and other natural resources) are within the scope of the definition. Criteria 5.2, 5.3 and 5.4 were updated in February 2017 to reflect these changes.
59. In terms of criterion 5.1, authorities confirm that two of the nine treaties annexed to the TF Convention do not yet extend to Macao, China.
60. In relation to criterion 5.2 and 5.2bis, Article 7 of the revised Terrorism Law goes some way to address the gap identified in the MER however deficiencies remain. Sub-criterion 5.2(a) is not fully met, given the above noted c.5.1 deficiencies in scope of terrorist offences considered to be terrorist “acts”, and sub-criterion 5.2(b) is not met as article 7(2)(1) extends the offence to funding terrorist organisations or individual terrorists, but only when there is an intention that the terrorist group will use the funds to pursue “any type” of terrorist activity, albeit not a specific terrorist act. Thus, funding an individual terrorist or terrorist organisation for any purpose is not covered.

Article 7

Financing of terrorism

1. Whoever renders available or collects funds, economic resources or any other types of assets, as well as products or rights that can be transformed into funds, with the purpose of financing, totally or partially, the commission of terrorism, shall be punished with a penalty of 1 to 8 years of imprisonment, if a heavier sentence is not applicable by virtue of another legal provision.

2. The offense provided for in the previous paragraph is committed whenever funding is provided for the following intentions:

1) Performance of specific terrorist acts;

2) Used by terrorist organizations or individual terrorists to pursue any type of terrorist activities , even if the funding is not found to be linked to the practice of any specific terrorist acts.

61. Articles 6A(1 & 2) criminalise TF related to the travel of individuals relating to terrorist training and preparation/ participation in terrorist acts. The offence does not cover travelling to plan terrorist acts (NB that ‘provide logistical support’ does not cover planning). The offence is punishable by a penalty of one to eight years imprisonment.

62. For sub-criterion 5.4(a), the criminalisation at Article 7 covers provision or collection of funds for the purpose of commission of terrorist acts and Article 7(2) further extends the scope by clarifying circumstances when particular intentions are present, including the intention that they be used for the performance of specific terrorist acts. Criminalisation of provision of funds when there is simply the intention that the funds be used for terrorism offences would not appear to be dependent on them being actually used to attempt or carry out a terrorism offence. However, in the absence of explicit legal provisions, or in the alternative persuasive case law, this cannot be demonstrated.

63. For sub-criterion 5.4(b), as outlined above, 7(2)(2) of the revised Terrorism Law addresses the gap identified in the MER. The TF offence extends to funding absent a connection to a specific terrorist act.

64. Macao, China has made a number of amendments that further narrow the gaps in the scope of criminalisation of TF. Gaps remain with financing a terrorist organisation or an individual terrorist for any purpose. Financing travel of foreign fighters for the purpose of planning terrorist acts is not clearly covered, and it is still not clear whether the TF offense requires proof that the funds were actually used to carry out or attempt a terrorist act.

65. **Macao, China remains largely compliant with Recommendation 5.**

Recommendation 7 (Originally rated C)

66. Macao, China was rated compliant with R.7 in its 2017 MER.

67. In November 2017, in criterion 7.4 (c) and 7.5 (a) the UNSCR reference changed from 1737 to 2231 and in criterion 7.5 (b) UNSCR 2231 was added.

68. Macao, China's legal framework for implementing TFS in accordance with UNSC 1737 and 2231 is consistent. Pursuant to Law 6/2016, Art 1, Macao, China gazetted UNSCR 2231 on 2 March 2016. As such the asset freezing and prohibitions on providing funds were extended to designated persons and entities included under UNSCR 2231.

69. Macao, China has addressed the new requirements of INR.7 by enforceable order and gazettal of UNSCR in 2231 in March 2016.

70. **Macao, China remains compliant with Recommendation 7.**

Recommendation 18 (Originally rated C)

71. Macao, China was rated compliant with R.18 in its 2017 MER.

72. In November 2017 the INR.18 was revised to clarify the requirements on sharing information relating to unusual or suspicious transactions within financial groups. In February 2018, R.18 was revised to reflect the changes in INR.18.

73. Macao, China has addressed the new requirements of INR.18 by amending the AMCM guidelines for both the banking and insurance sector.

74. **Macao, China remains compliant with Recommendation 18.**

Recommendation 21 (Originally rated C)

75. Macao, China was rated compliant with R.21 in its 2017 MER.

76. In November 2017, R.21 (c.21.2) was revised to clarify that the tipping off provision is not intended to inhibit information sharing for R.18.

77. Macao, China has addressed the new requirements of R.21 by amending the text of the AMCM guidelines for both the banking and insurance sector, which specify sharing information with branches and subsidiaries, if relevant and appropriate for risk management. They further specify that this should include information and analysis of unusual transactions or activities, could include an STR, its underlying information or the fact that an STR has been submitted.

78. **Macao, China remains compliant with Recommendation 21.**

IV. CONCLUSION

79. Macao, China has made good progress in addressing the technical compliance deficiencies identified in its MER, including through drafting revised legislation and guidelines, and has been upgraded on three Recommendations.

80. Macao, China was upgraded to LC on Recommendations 22, 23 and 32. With respect to the recommendations amended after the adoption of Macao, China's MER - R.2, 5, 7, 18 and 21 - Macao, China has retained the ratings given in the MER. Macao, China has no Recommendations remaining at NC/PC.

81. In light of the progress made by Macao, China since its MER was adopted, its technical compliance with the FATF Recommendations is currently as follows:

R 1	R 2	R 3	R 4	R 5	R 6	R 7	R 8	R 9	R 10
LC	LC	LC	C	LC	C	C	LC	C	C
R 11	R 12	R 13	R 14	R 15	R 16	R 17	R 18	R 19	R 20
C	C	C	C	C	LC	C	C	C	C
R 21	R 22	R 23	R 24	R 25	R 26	R 27	R 28	R 29	R 30
C	LC	LC	LC	LC	C	C	LC	C	LC
R 31	R 32	R 33	R 34	R 35	R 36	R 37	R 38	R 39	R 40
C	LC	LC	C	C	LC	C	LC	LC	LC

82. The Macao, China FUR was adopted by the APG at its Annual Meeting in August 2019. Macao, China will remain on regular follow-up, and will continue to report back to the APG on progress to strengthen its implementation of AML/CFT measures.