

## **Cross-boundary Movement of Physical Currency and Bearer Negotiable Instruments Bill (the Bill)**

### **Response to the issues raised at the Bills Committee meeting on 24 April 2017**

This paper sets out the Government's response to the issues raised at the Bills Committee meeting on 24 April 2017.

#### **Clause 14 – Chinese version of heading and Clause 14(1)**

2. The Chinese version of the heading of Clause 14 and Clause 14(1) of the Bill is as follows –

“14. 繳付指明款額的人的紀錄的登記冊

(1) 關長須就已繳付第 13(1)(f)(i) 條所述的款額的人，備存該等人士的紀錄的登記冊。”

3. A Member has suggested that the Government consider whether the first “的” in the heading and the first “的” in Clause 14(1) should be removed to facilitate easier reading of the provisions.

4. From the law drafting perspective, the use of the two “的” concerned is appropriate. The first “的” in the heading is used to connect the two nouns of “繳付指明款額” and “人”，so as to illustrate that the persons as referred to in Clause 14 are those having paid the amount so specified. On the other hand, the first “的” in Clause 14(1) is used to connect the preceding verb “所述” and the ensuing noun “款額”，so as to illustrate that the payment in question is that as mentioned in Clause 13(1)(f)(i). The two “的” concerned should therefore be retained.

#### **Clause 33(2) – amendment of Schedule 4**

5. Under Clause 33(2) of the Bill, the Secretary for Security may, by notice published in the Gazette, amend Schedule 4. (Clause 2(3) provides that a reference to a large quantity of CBNIs is a reference to CBNIs of a total value that is more than the amount specified in Schedule 4. Schedule 4 specifies \$120,000 as the relevant amount. Import or export of a large quantity of CBNIs in the possession of

travellers or in cargoes will require declaration or disclosure to be made in accordance with the relevant provisions of the Bill.)

6. As explained at the Bills Committee meeting on 24 April 2017, the specification of the amount of \$120,000 in Schedule 4 is based on the threshold of USD/EUR15,000 as designated by the Financial Action Task Force (FATF). It is envisaged that should amendments to the amount specified in Schedule 4 be needed in future, the amendments would be necessitated by the adjustments made by FATF to the threshold. An order to amend Schedule 4 is subsidiary legislation subject to negative vetting by the Legislative Council.

### **Item 7 in Part 2 of Schedule 2 – name and address of owner of CBNIs**

7. Part 2 of Schedule 2 to the Bill sets out the information to be provided in a declaration for the CBNIs in the possession of travellers pursuant to Clauses 4(4) and 6(3). Item 7 in that Part requires the provision of the name and address of the owner of the CBNIs, if the traveller is not the owner. A Member has asked about the necessity for that item.

8. According to FATF, for travellers who declare or disclose CBNIs, it is important to collect the essential information, including that on the owner of the CBNIs. Item 7 in Part 2 of Schedule 2 on the provision of the name and address of the owner of CBNIs has taken into account FATF's advice. The requirement is on par with those implemented by other advanced jurisdictions (e.g. the UK, the US, Australia, New Zealand and European countries).

**Narcotics Division**  
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**May 2017**