



Cross Border Declaration Legal Framework / EMLCU Role

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FATF - *IX. Cash Couriers*

- Countries should have measures in place to detect the physical cross-border transportation of currency & bearer negotiable instruments, including a declaration system or other disclosure obligation.
- Countries should ensure that their competent authorities have the legal authority to stop or restrain currency or bearer negotiable instruments that are suspected to be related to terrorist financing or money laundering, or that are falsely declared or disclosed.



FATF - IX. Cash Couriers (cont.)

- Countries should ensure that effective, proportionate and dissuasive sanctions are available to deal with persons who make false declaration(s) or disclosure(s). In cases where the currency or bearer negotiable instruments are related to terrorist financing or money laundering, countries should also adopt measures, including legislative ones consistent with Recommendation 3 and Special Recommendation III, which would enable the confiscation of such currency or instruments.



Legal Framework

- Law No. 88 for 2003 : The Central Bank, Banking Sector and Money (Banking Law).
- Law No. 80 for 2002 : AML/CFT Law & Executive Regulations.
- Administrative Orders issued by the Ministry of Finance.



Law no. 88 for 2003 : The Central Bank, Banking Sector and Money (Banking Law). Article no.116

- Entry of the foreign exchange into, or its exit from the country shall be warranted for all travelers, providing its amount shall be declared on entry or exit, if it exceeds ten thousand US dollars, or their equivalent in foreign currencies.
- Passengers arriving in or departing from the country may hold Egyptian banknotes, not exceeding five thousand Egyptian pounds.
- The entry or exit of Egyptian banknotes via postal consignments and parcels shall be prohibited.
- The amounts referred to in the first and second clauses of this Article may be modified by virtue of a decree of the Prime Minister, in agreement with the Governor of the Central Bank.



Mechanisms to monitor cross-border physical transportation of currency

- Declaration to the customs authorities has to be made at any point of entry and exit.
- The ceiling applies to all age groups and incoming cash by way of mail, shipment, air and land.
- Declaration forms are handed over to passengers in the arrival hall by custom officers and to be handed over at the point of exit.



Awareness

- Due to tight Exchange Control regulation prior to the AML/CFT Law, the level of awareness across the operational customs units is high and senior level officials displayed a working knowledge of the applicable laws and regulations.
- A deliberate effort has been exerted on the part of the customs authorities to raise the public awareness by way of publishing a magazine on a monthly basis.
- It sensitizes the public on the rules regarding the declaration mechanism.
- There are samples of the declaration forms for arrival and departure included in the magazine.



Customs Officers / Monitoring

- Many successful cases have been recorded using:
 - ✓ Screening machine,
 - ✓ Customs officers rely on the expertise of its staff to monitor passengers by way of body language,
...and have been reported to the public prosecution office.



Request Information on Origin and Use of Currency

- In the event that the passenger fails to declare that they are carrying cash or negotiable instruments over the threshold, and it's discovered that they are in fact carrying such amount, the custom officers are authorized under the AML/CFT Executive Regulations to enquire as to the reason for non-declaration.



Restraint of Currency

- Custom officers, if not convinced to the reasons provided for non-declaration, are authorized by the Regulation to:
 - ✓ Seize the cash or negotiable instruments.
 - ✓ Transfer the amount to the public prosecution office to initiate further investigation.



Retention of Information / EMLCU

- Data on declaration forms is recorded and registered in Currency Declaration books for follow up purposes.
- The AML/CFT Law requires that copies of declarations must be forwarded by Customs to the EMLCU as per an agreed upon arrangement (authority provided by AML/CFT Law).



Role of EMLCU

- Information provided by the EMLCU states that the criteria for determining suspicion are:
 - ✓ High value of amount declared
 - ✓ Frequency of traveling
 - ✓ Intelligence from other agencies
 - ✓ countries traveled to
 - ✓ personal discretion of the customs officer



Access of Information to FIU

- The original forms of the declaration that are “suspicious” are sent to the EMLCU.
- The EMLCU includes the data from the declaration forms in its database and takes necessary measures in case of suspicious in ML/FT transactions.



Domestic Cooperation

- Various state agencies indicated that the coordination by the EMLCU has resulted in cooperation between:
 - ✓ Customs
 - ✓ Immigration
 - ✓ Related authorities



International Cooperation

- The Customs Authority has bilateral agreements with its counterparts in other countries in the form of memorandum of understanding (MOU).
- Cooperation involves coordination and exchanging of information at the Ministerial level, through membership in the world customs organization (WCO).
- The Customs Authority attends meetings of the WCO regularly and exchanges information through the competent authorities via the C.E.N, which enable it to access the latest means of hiding and trafficking.



Sanctions for Making False Declarations

- Customs Authorities, may, in case of failure to declare or providing false information, question the violator the source of any currencies or negotiable instruments in his possession above the threshold limit, and the purposes of their use. If not convinced, the customs officer is empowered to take measures for seizing the currencies, and the violator may be liable to imprisonment for a period not exceeding three months and a fine of not less than EGP 5,000 (approx. USD 1,000), and not more than EGP 20,000 (approx. USD 3,700).



Sanctions for Cross-border Physical Transportation of Currency for Purposes of ML or FT

- where there are indications of committing a money laundering (ML) or terrorism (TF) crime, the customs authorities are required to report such indications to the competent authority and provide the EMLCU with a copy of such action.
- Furthermore, Article 126 of the Central Bank Law provides in respect of violation of the requirement of entry to or exit from Egypt with US\$10,000, that “in all cases, the amounts and articles of the legal action shall be seized and confiscated by a court ruling. If the objects are not seized, an additional fine equivalent to their value shall be ruled.”



Thank you

