



**REPORT OF THE PORTFOLIO COMMITTEE ON THE
ECONOMIC AND DEVELOPMENT CLUSTER**

ON

**Money Laundering (Currency Bearer Negotiable
Instruments Declaration) (Amendment) Regulations,
2024**

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1. INTRODUCTION

On the 7th August, 2024, the Honourable Minister of Finance and Development Planning tabled the Money Laundering (Currency Bearer Negotiable Instruments Declaration) (Amendment) Regulations, 2024 in the House. The Regulations were referred to the Portfolio Committee on the Economic and Development Cluster for consideration in terms of Standing Order No. 100 (3). The Committee invited the Honourable Minister of Finance and Development Planning to a briefing session in accordance with Standing Order No. 101 (2).

The Committee, therefore, presents this report to the House for consideration.

2. MINISTERIAL BRIEF

The Ministry stated that the Money Laundering (Currency and Bearer Negotiable Instruments) (Amendment) Regulations, 2024 are made pursuant to Section 111 of the Money Laundering and Proceeds of Crime Act, 2008 and intend to amend the Money Laundering (Currency Bearer Negotiable Instruments Declaration) Regulations, 2015.

These Regulations are made to address the gaps identified by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and Recommendation 32 on Cash Couriers by Financial Action Task Force (FATF). The recommendation states that countries must put in place measures to detect physical cross-border transportation of currency or bearer negotiable instruments through declaration in order to combat money laundering and terrorist financing

The Regulations provide for every person entering or leaving Lesotho to declare currency and bearer negotiable instruments in their possession if the currency or

bearer negotiable instruments exceed the amount prescribed by the Commissioner of Banks.

The Regulations also provide for the authorized Officer to count the currency and inspect the bearer negotiable instruments declared by the person entering or leaving the borders of Lesotho to verify the correctness of the declaration made.

The Regulations further provides for the authorized Officer to request information validating the origin and destination of currency or bearer negotiable instruments where false declaration or disclosure has been made, or a failure to make a declaration. The authorized Officer shall further detain the currency or bearer negotiable instruments if there is suspicion that such currency or instruments are associated with a predicate offence or money laundering. Such currency or instruments shall be detained pursuant to Section 28 of the Principal Law and a person who makes false declaration of currency or bearer negotiable instruments, shall be liable to a fine provided under section 113 of the Principal Law.

Lastly, the Regulations provide for an authorized Officer to cooperate with all border authorities through exchange of information and intelligence in implementing declaration of currency and bearer negotiable instruments.

3. COMMITTEE'S OBSERVATION ON THE REGULATIONS

The Committee is of the view that in addition to the Regulations addressing the recommendation made by FATF, the Government should improve its measures in combatting money laundering and proceeds of crime as well as terrorist financing.

4. RECOMMENDATIONS

The Committee makes the following recommendations:

- The Principal Act should be amended to increase penalties for offenders who fail to declare their currency and bearer negotiable instruments at the ports of entry;
- Authorized Officers at the ports of entry should be capacitated to enable them to fully execute their duties;
- Currency scanners must be provided at the ports of entry; and
- The Regulations should be allowed and this report be adopted by the House.