

Title:

What is a Negotiable or Monetary Instrument?

Word Count:

539

Summary:

Many countries require the reportage of the movement of any amount of money, monetary instruments or negotiable instruments valued over \$10,000.

Keywords:

asset protection, offshore banking, offshore bank account

Article Body:

Introduction - Many countries require the reportage of the movement of any amount of money, monetary instruments or negotiable instruments valued over \$10,000. Panama is one of those countries. One can generally move any amount of money across borders it just requires reporting it to the departing country and to the entry country. We never suggest one brings large sums of cash into Panama. There can always be individual differences in the laws of different countries so it is a good idea to check with each country concerned. Usually they post current information on their official websites.

Currency - This is definitely included in the \$10,000 limit. It includes all foreign currencies. They use the current day conversion values to arrive at the \$10,000 limit. Be conservative in your predictions of currency valuation so as to not fall over the limit. Traveler's checks are treated as cash as a rule, it does not seem to matter if they are endorsed or made out or not. Probably because they can be reported stolen or lost and replaced easily in the new country.

Bullion - This is included too. The value is based on current values. If you had a \$20 gold coin which weighed one ounce the value would not be \$20, it would be what an ounce of gold is worth. If you had a rare coin that was denominated at \$0.25 would it be valued at \$0.25 or the numismatic value? The numismatic collector value is what would be used.

Negotiable Instrument Defined - This would include any check, or money order that is in bearer form, in other words payable to the bearer on demand without any further conditions to be met or if the instrument is already endorsed without restriction (not endorsed and made payable to a specific entity), made

out to a fictitious payee, or structured so that the title of the instrument passes solely with possession of the instrument such as a bearer bond. This would also include an instrument such as a check, money order, promissory note signed but with the payee name left in blank. This does include bearer shares of corporations which is why the corporations we form are set up with a value of \$10,000 only (nominative value not paid in cash so as they fall under the declaration limits.

What is Generally Not Considered a Monetary Instrument - Any check, money order, bank check made payable to a specific entity which has not yet been endorsed by that entity or if endorsed it would be with a restrictive endorsement payable to another specific entity. It does not include warehouse receipts or bills of lading.

Aggregates exceeding \$10,000 - If any combination of the above exceeds the \$10,000 it too needs to be reported. As to whether or not the totals amongst family members needs to be reported is vague and varies from country to country. What constitutes family members traveling together is another poorly defined area. If they are on the same flight are they together or not? Is a minor under 18 or under 21? So do check with the laws for each country.

Penalties - These vary but generally include confiscation, fines and possible criminal charges.

Questions - We can answer any questions you have about Negotiable Instruments and Panama. We are a Panama Law Firm.