HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: B1/15C
B9/67C

27 May 2026

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Guidance on Banking Services for Individuals with Higher Risk Profiles

I am writing to provide guidance to Authorized Institutions ("AIs") in respect of banking services for individuals assessed as presenting higher risks.

Access to basic banking services is integral to financial inclusion, enabling individuals to engage in economic activities efficiently and manage day-to-day financial transactions. Banking services are, to a large extent, accessible to members of the public in Hong Kong, including customers with different risk profiles.

The Hong Kong Monetary Authority ("HKMA") has reviewed the practices of some AIs in providing banking services for individual customers assessed as presenting higher risks ("higher-risk individuals"). These assessments may be based on a range of risk factors, such as past convictions, involvement in ongoing investigations or legal proceedings (including but not limited to those associated with money laundering and terrorist financing, or indications of potential involvement in fraudulent activities). While AIs are required to ensure that proper measures are in place to mitigate any identified risks, we note that in some cases, AIs' approaches to managing banking services for higher-risk individuals have not adequately and effectively addressed their genuine needs for basic banking services in Hong Kong (for example, in the treatment of services for individuals in Hong Kong who are under investigation or being prosecuted, but have not yet been convicted of an offence).

The HKMA has explored with AIs options for mitigating higher risks that align with a risk-based approach to anti-money laundering and counter-financing of terrorism (AML/CFT) efforts, while upholding the principle of financial inclusion. Following consultation with the industry, we have set out practical guidance on the provision of banking services to higher-risk individuals in the **Annex**, having regard to both AML/CFT and financial inclusion considerations. In particular, the HKMA encourages AIs to consider offering basic banking services to higher-risk individuals residing in Hong Kong, subject to appropriate safeguards and limitations, to manage the associated risks. Such service arrangements should only be applied in circumstances where a broader range of banking services may not be appropriate due to the level of risk exposure, in line with the intention to support access to basic banking services for higher-risk individuals residing in Hong Kong who have genuine banking needs on a case-by-case basis, while mitigating associated risks. These service arrangements should not be applied as a matter of course to customers solely on the basis of a higher-risk classification.

AIs are expected to take into account the expectations set out in this Circular and determine their implementation approach based on their risk assessments, including the range of services to be offered, the extent of safeguards and limitations to be applied, as well as the level of scrutiny required to address identified risks. AIs should also maintain clear and proper communication with customers, including explaining that such services are intended to meet basic banking needs and are provided in a manner commensurate with the assessed risks. AIs are reminded to refrain from adopting a "one-size-fits-all" approach to the treatment of banking services.

AIs (particularly those providing retail banking services to individual customers) should review and, where necessary, revise their policies and procedures in respect of banking services for higher-risk individuals, and take into account the guidance in the **Annex** in the design and implementation of the relevant measures.

This circular has been jointly developed by the Banking Conduct Department and the Enforcement & AML Department of the HKMA. Should your institution have any questions regarding this circular, please send them to financial_inclusion@hkma.iclnet.hk or approach your usual supervisory contact in the HKMA's AML and Financial Crime Risk Division.

Yours faithfully,

Arthur Yuen
Deputy Chief Executive

Encl.

cc: The Chairperson, The Hong Kong Association of Banks
The Chairperson, The DTC Association
Secretary for Financial Services and the Treasury (Attn: Mr Timothy Wong)