HONG KONG MONETARY AUTHORITY
香港金融管理局

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22 October 2026

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Anti-bribery & corruption controls for account opening

Following some recent cases involving criminal syndicates offering bribes to staff of Authorized Institutions (AIs) to bypass anti-money laundering and counter-terrorist financing (AML/CFT) controls during account opening, I am writing to remind you of the need to put in place effective controls to address related risks. The potential for bribery and corruption involving staff increases legal and regulatory risks for AIs and may make it more difficult to identify and mitigate mule accounts used to launder proceeds of crime.

The Hong Kong Monetary Authority (HKMA) expects AIs to implement a layered, risk-based approach to account opening, including the collection of proportionate information during customer due diligence (CDD). These processes have become more effective at the early identification of money mule accounts, where inconsistencies in CDD data may trigger enhanced reviews or account rejection.

To address the risk that criminals may seek to use bribes to bypass these enhanced controls, some AIs have implemented targeted safeguards. These include a good understanding of the risk, robust access controls and audit trails for account opening, targeted ongoing monitoring (e.g. for staff overrides) and incentives that prioritise compliance over revenue.

Risk Assessment

AIs are already expected to implement effective ML/TF risk assessment frameworks, which should guide the risk-based application of AML/CFT controls. As part of this assessment, banks should consider factors that may increase bribery risks, such as potential conflicts of interest or account opening processes involving third-party agents, and apply appropriate control measures. Some examples of these measures are provided below.

Policies and procedures

AIs should establish and maintain a comprehensive policy framework that clearly sets out the AML/CFT procedures for account opening, e.g. the documents required for customer due diligence purposes, vetting procedures and approval hierarchy. It is a good practice to remind staff of the consequences of breaches of anti-bribery and corruption policies in the execution of account opening controls.

Controls on account opening

A number of good practices and areas for improvement have been noted regarding controls on account opening:

(a) Segregation of duties must be applied during the account opening process. Staff should adhere to the four-eyes principle, with different personnel assigned to review and approve accounts such that single individuals are not able to make unilateral decisions. Applications should be distributed to checking staff on a rotating basis to prevent multiple applications from a single customer or introduced by the same third party being handled by the same person;

(b) Leveraging technology (e.g. remote on-boarding solutions) to assist with account opening can mitigate bribery risk in high-risk cases, where human judgment regarding client identity authentication and document verification is susceptible to error. Adopting such technology to support staff in verifying any part of the account opening process can also establish a comprehensive audit trail for future reference;

(c) Third-party agents introducing clients to AIs or assisting them with account opening may present increased bribery risk. AIs must therefore implement enhanced effective controls in such cases, including thorough due diligence, rigorous approval scrutiny, and robust management oversight; and

(d) For accounts newly opened by branches and staff with higher financial crime risk—such as those with the highest exit ratios—AIs should conduct targeted sample checks to identify any suspicious activity. They may also perform callback verification to determine if customers paid referral fees during the account opening process or if agent rebates were involved.

Ongoing monitoring

AIs should develop adequate management information system (MIS) reports to proactively identify irregularities and unusual activities that may indicate possible bribery or corruption activities, such as spikes or concentrations in account openings by specific branches or staff without apparent cause, abnormal transaction patterns handled by the same staff, unusual transactions by staff responsible for account opening, and

accounts opened with support from third-party agents. Look-back reviews should be conducted following a risk-based approach to confirm whether any element of bribery or corruption exists in the account opening process.

Governance

AIs' senior management are responsible for ensuring that their institution conducts its AML/CFT legal and regulatory obligations with integrity and tackles the risk that the institution, or anyone acting on its behalf, engages in bribery and corruption. AIs should assign clear senior management responsibility for managing bribery risks in account opening with adequate and relevant management information provided.

AIs should review their existing account opening controls for bribery and corruption vulnerabilities through a gap analysis and consider adopting the practices outlined above to enhance their AML/CFT risk management framework. The HKMA will continue to monitor the situation and share with the industry further good practices where these are identified. In the meantime, the Hong Kong Association of Banks, with the support of the HKMA and the ICAC, is also developing detailed guidance on measures that AIs can take to prevent bribery and corruption activities involving their staff.

If AIs have any questions on this circular, they may approach their usual supervisory contact at the HKMA's AML and Financial Crime Risk Division.

Yours faithfully,

Raymond Chan
Executive Director (Enforcement and AML)