HONG KONG MONETARY AUTHORITY
香港金融管理局

Circulars

31 Mar 2003

Supplement to the Guideline on Prevention of Money Laundering

Our Ref: B10/1C

31 March 2003

The Chief Executive
All Authorized Institutions

Dear Sir / Madam,

Supplement to the Guideline on Prevention of Money Laundering

I am writing to inform you that, following extensive consultation with the two industry Associations, the HKMA has prepared a Supplement to the Guideline on Prevention of Money Laundering. The Supplement (copy attached), being part of a statutory guideline issued under section 7(3) of the Banking Ordinance, will be published by notice in the Gazette shortly.

The Supplement mainly reflects the international standards recommended in the Basel Committee paper "Customer Due Diligence for Banks", and also takes into account some of the changes proposed by the Financial Action Task Force (FATF) in its current review of the Forty Recommendations as well as the special recommendation on wire transfers. In addition, the Supplement incorporates guidance issued by the HKMA since the Guideline was last revised in 2000, including in particular recommendations related to terrorist financing.

The HKMA expects authorized institutions (AIs) to review and revise if necessary their current policies and procedures in the prevention of money laundering so as to comply with the minimum standards stipulated in the Supplement as soon as possible, and in any case not later than 30 September 2003. Where system changes are required to achieve compliance, a longer implementation period may be allowed on a case-by-case basis upon proper justification. The AI concerned should discuss this with its usual contact in the HKMA.

You will appreciate that the Supplement is relatively high-level in nature. In order to clarify the practical implications of the requirements and where necessary develop more detailed guidance in specific areas, an industry forum (to be chaired by the HKMA) will be established shortly. The HKMA will be in touch with the industry Associations on this.

Should you have any questions relating to the Supplement, please feel free to contact Ms Maggie Leong on 2878-1912 or Mr Edmund Leung on 2878-8281. On-line access to the Supplement is available under the icon of "Circulars and Guidelines" in the HKMA's public (http://www.info.gov.hk/hkma) and private (http://www.hkfin.net) web-sites.

Yours faithfully,

Y K Choi
Acting Deputy Chief Executive

Encl.: Supplement to the Guideline on Prevention of Money Laundering (PDF File, 192 KB)
Intermediary Certificate (PDF File, 74KB)

c.c.: The Chairman, Hong Kong Association of Banks
The Chairman, The Deposit-taking Companies Association
SFST (Attn: Mr Edmond Lau)

Last revision date : 01 August 2011