HONG KONG MONETARY AUTHORITY
香港金融管理局

Circulars

18 Jun 2009

United Nations Sanctions Ordinance & Regulations

Our Ref.: B10/1C

18 June 2009

The Chief Executive
All authorized institutions

Dear Sir/Madam,

United Nations Sanctions Ordinance & Regulations

In recent years, a series of United Nations Security Council Resolutions have been introduced to impose targeted financial (including asset freezing) and trade based (covering goods, services and expertise) sanctions against certain jurisdictions to prevent the proliferation of weapons of mass destruction and enforce other aims of the international community.

In Hong Kong, these obligations have been implemented through the United Nations Sanctions Ordinance, Cap.537, and its regulations. Currently there are about 40 regulations made under this Ordinance relating to 11 jurisdictions. As the sanctions or prohibitions under each regulation are different, AIs should look into the actual requirements of each specific regulation and implement appropriate controls to ensure compliance.

AIs should be mindful of the fact that these regulations do not automatically place the jurisdictions involved under sanction and require mandatory blocking of all connected transactions. If an AI decides for any reason not to handle a particular transaction, the reason should be clearly communicated to the correspondent bank concerned.

Should you have any queries relating to this letter, please contact Ms Sophia Lam on 2878-8281.

Yours faithfully,

Karen Kemp
Executive Director (Banking Policy)

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