HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Conduct Department

Our ref.: B10/1C
B1/15C

29 October 2010

The Chief Executive
All authorized institutions

Dear Sir/Madam,

Anti-Money Laundering and
Counter-Terrorist Financing (Financial Institutions) Bill

I am writing to inform you that the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Bill (the Bill) was gazetted today and will be introduced into the Legislative Council on 10 November 2010. Subject to the passage of the Bill by the Legislative Council, the Government proposes to implement the legislation on 1 April 2012. The Bill is available on the Government's website (http://www.gld.gov.hk/egazette).

Compared with the earlier proposal, the key changes made in the Bill include removing the across-the-board requirements to conduct customer due diligence on all pre-existing accounts and removal of personal civil liability of officers of financial institutions. The customer due diligence requirements for beneficiaries of life insurance policies have also been clarified.

The major views received from the second-round consultation and the Government's responses are set out in the consultation conclusion, which is available on the Financial Services and the Treasury Bureau's website (http://www.fstb.gov.hk/fsb/aml/eng/latest/amlbill_conclusion.pdf)

Yours faithfully,

Trevor Keen
Acting Executive Director (Banking Conduct)

c.c. The Chairman, The Hong Kong Association of Banks
The Chairman, The DTC Association
FSTB (Attn: Angelina Kwan)