



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

29 June 2012

The Chief Executive
All authorized institutions

Dear Sir/Madam,

Guideline on Exercising Power to Impose Pecuniary Penalty

I am writing to inform you that, following consultation with the two industry associations, the HKMA is issuing today the Guideline on Exercising Power to Impose Pecuniary Penalty by notice in the Gazette under section 23(1) of the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (“AMLO”), Cap. 615.

The Guideline indicates the manner in which the Monetary Authority (“MA”) proposes to exercise the power to impose a pecuniary penalty under section 21(2)(c) of the AMLO and will come into operation on 1 July 2012. The Guideline sets out the factors that the MA will normally consider in determining whether to impose a pecuniary penalty on an authorized institution and the amount of the penalty if the authorized institution contravenes a specified provision as defined by section 5(11) of the AMLO. The factors listed in the Guideline are not exhaustive. The MA will consider any one or more of the factors listed in the Guideline and/or any other factors which are relevant to a particular case but are not listed.

On-line access to the Guideline is available under the icon of ‘Circulars and Guidelines’ in the HKMA’s public (<http://www.info.gov.hk/hkma>) and private (<http://www.stet.finnet.hk>) web-sites.

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If you have any questions relating to this letter, please feel free to contact Mr Ronnie Wong on 2516-7215 or Ms Venus Leung on 2516-7006.

Yours faithfully,

Raymond Li
Director-General (Enforcement)

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