HONG KONG MONETARY AUTHORITY
香港金融管理局

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

13 July 2012

The Chief Executive
All authorized institutions

Dear Sir/Madam,

Amendments to the Guideline on Anti-Money Laundering and Counter-Terrorist Financing

I am writing to inform you that the Guideline on Anti-Money Laundering and Counter-Terrorist Financing ("the AML Guideline") has been amended by notice in the Gazette today (G.N. 4719 of 2012) under section 7(3) of the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (AMLO) and section 7(3) of the Banking Ordinance. The amendments take immediate effect.

The amendments to the AML Guideline reflect the recently enacted United Nations (Anti-Terrorism Measures) (Amendment) Ordinance 2012[1] which address a number of essential concepts (including the replacement of the term "funds" by "property" and the expansion of the prohibition to also cover the collection of property for terrorists and terrorist associates) in relation to the implementation of measures against terrorism[2]. Consequential amendments have also been made to the definition of "terrorist financing" in the AMLO to maintain consistency with the amended sections 7 and 8 of the UNATMO.

To reflect these consequential amendments to the AMLO, the AML Guideline has been amended. Please refer to ***Annex*** for details of the amendments.

[1] Which amended the United Nations (Anti-Terrorism Measures) Ordinance (UNATMO)
[2] Please refer to our circular dated 17 February 2012 regarding the background of the United Nations (Anti-Terrorism Measures) (Amendment) Bill 2012

The Gazette notices are available on the Government's website (http://www.gld.gov.hk/egazette). On-line access to the revised 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.

If you have any questions relating to this letter, please feel free to contact Mr Stewart McGlynn on 2878-1095 or Ms Joyce Chan on 2878-8281.

Yours faithfully,

Nelson Man
Executive Director (Banking Supervision)

Encl.

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