



HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Supervision Department

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

16 December 2013

The Chief Executive
All authorized institutions

Dear Sir/Madam,

Guidance Paper on Transaction Screening, Transaction Monitoring and Suspicious Transaction Reporting

I am pleased to inform you that, following consultation with the industry, the Hong Kong Monetary Authority has developed a guidance paper for authorized institutions (AIs), on sound industry practices for transaction screening, transaction monitoring and suspicious transaction reporting identified during recent examinations.

In order to enhance the quality and consistency of suspicious transaction reports (STR) filed by the banking sector, guidance has been jointly developed with the Joint Financial Intelligence Unit, and is provided as an Annex to the guidance paper.

The practices outlined in these documents will assist AIs in not only meeting the legal and regulatory obligations under the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance and relevant STR reporting ordinances but also enhancing the effectiveness of measures to mitigate their money laundering and terrorist financing risks.

As stated in the executive summary to the guidance paper, AIs are expected to give full consideration to the adoption of the recommended practices set out in the paper, where appropriate, or otherwise to adopt alternative control measures which are equally effective.

If you have any questions relating to the guidance paper and the Annex, please contact Mr Stewart McGlynn on 2878 1095 or Mr Gavin Cheung on 2878 8305.

Yours faithfully,

Lawrence Cheung
Acting Executive Director (Banking Supervision)

Encl.

c.c. The Chairman, The Hong Kong Association of Banks
The Chairman, The DTC Association