



HONG KONG MONETARY AUTHORITY
香港金融管理局

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

19 October 2018

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Supervisory Policy Manual (SPM): AML-1 “Supervisory Approach on Anti-Money Laundering and Counter-Financing of Terrorism”

I am writing to inform you that, following consultation with the industry associations, the Hong Kong Monetary Authority (HKMA) published in the Gazette today (G.N. 7771 of 2018) the above new SPM module as statutory guidance under section 7(3) of the Banking Ordinance. This follows the publication of “Hong Kong Money Laundering and Terrorist Financing Risk Assessment Report” by the Government in April 2018, which includes a policy statement of Hong Kong’s anti-money laundering and counter-financing of terrorism (AML/CFT) regime.

The HKMA always adopts a risk-based approach in its supervision of Authorized Institutions (AI)’s policies, procedures and controls in addressing the money laundering and terrorist financing risks in an effective and efficient manner. This module sets out the HKMA’s overall and supervisory approach of the HKMA for AML/CFT policies, procedures and controls of AIs, and should be read in conjunction with the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Authorized Institutions). It aims to articulate the HKMA’s supervisory approach, for greater policy transparency, and it is not intended to introduce any new requirements for AIs.

If your institution has any questions about this new module, please approach your usual supervisory contact at the HKMA.

Yours faithfully,

Carmen Chu
Executive Director (Enforcement and AML)

cc: The Chairperson, The Hong Kong Association of Banks
The Chairman, The DTC Association
The Chairman, Private Wealth Management Association
Financial Services and the Treasury Bureau (Attn: Ms Eureka Cheung)