HONG KONG MONETARY AUTHORITY
香港金融管理局

Circulars

25 Sep 2006

Combating Financing of Weapons of Mass Destruction Activities

Our Ref: B10/1C

25 September 2006

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Combating Financing of Weapons of Mass Destruction Activities

In view of the rising concern about terrorist financing internationally, particularly on the proliferation of weapons of mass destruction (WMD), I would like to remind authorized institutions (AIs) to continue to be vigilant to this concern. AIs should consider whether more stringent measures should be adopted to prevent the transfer of any financial resources in relation to such activities and transactions, particularly involving entities or countries that are assessed as posing higher money laundering and terrorist financing risks.

If AIs identify any activities or transactions that are suspected to be related to WMD proliferators, they should handle the relevant accounts with great caution since it is an offence under the laws of Hong Kong[1] to provide any services to such customers. The AIs concerned should report the suspicious transactions to the Joint Financial Intelligence Unit (JFIU) for appropriate action and discuss with JFIU on how those customers and accounts should be handled.

Due to the evolving nature of terrorist financing activities (including the financing of development, production, acquisition, stockpiling, and delivery of weapons of mass destruction), AIs should keep themselves abreast of the related developments locally and internationally and maintain a comprehensive and up-to-date watch list database for effective identification of names that may trigger suspicion. AIs should therefore draw reference from relevant designation by overseas authorities (such as the designation list under the US Executive Order 13382) in addition to those lists that the HKMA draws to the attention of AIs from time to time. AIs should also refer to the letter issued by the HKMA on 14 November 2005 for further guidance on the appropriate measures.

Should you have any questions on the content of this letter, please feel free to contact Mr James Tam at 2878 8043.

Yours faithfully,

William A. Ryback
Deputy Chief Executive

[1]The Weapons of Mass Destruction (Control of Provision of Services) Ordinance (Cap. 526) in Hong Kong makes it an offence for any person to provide any services to another party for, inter alia, assisting the development, production, acquisition or stockpiling of weapons capable of causing mass destruction.

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