

**Questionnaire
on the statutory & regulatory
requirements under the
AMLO**

(To Money Service Operators)

November 2014

Name of Money Service Operator : _____

Money Service Operator Licence No. : _____

Name of Contact Person : _____

Position : _____ Phone No. : _____

Email Address: _____ Date : _____

Message to MSOs regarding this questionnaire

This questionnaire is made by the Commissioner of Customs and Excise (CCE) with a view to knowing some problems which MSOs may encounter in the implementation of the requirements of the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance, Cap. 615 (the AMLO). This questionnaire does not mean, and should not be considered, to have comprehensively covered the possible problems or areas which MSOs may encounter in implementation of the AMLO. This questionnaire is made as a preliminary survey on some problems which MSOs may encounter. Answers to the questions and returned to CCE by MSOs will help CCE to plan a programme which aims at promoting the compliance level of MSOs with the requirements under the AMLO.

This questionnaire is made with reference to the Guideline which is published under section 7 of the AMLO. MSOs should note that the other requirements as set out in other paragraphs of the Guideline which have not been covered in this questionnaire are not meant to be less important. For a thorough understanding of the requirements of the AMLO and the Guideline, the whole Guideline and the AMLO should be read. They are accessible at the following websites of the Customs and Excise Department:

https://eservices.customs.gov.hk/MSOS/download/guideline/AMLO_Guideline_en.pdf

<https://eservices.customs.gov.hk/MSOS/common/legislation>

Answers to the Questions in this questionnaire

Please tick in the box and provide the details as appropriate. You may use separate sheet(s) when necessary. You may answer by using the multiple-choice-type answers provided as they can shorten the time for making the answers. But you are totally free to make your own free-form answers and disregard the coded answers. The answers to the questions in this questionnaire will help this department to know your company's training needs and are for reference only.

- Box (a)** My company **'did all'** as required
- Box (b)** **'partly done'**. My company did the following... (please specify in the Part of Supplementary Information below/by using additional sheet)
- Box (c)** My company **'did little'** on it because...(please specify in the Part of Supplementary Information below/by using additional sheet)
- Box (d)** My company **'did not understand'** the requirement under this provision

Where the answers set out in the Boxes are not applicable, please mark 'NA' (not applicable) in the space near the Boxes, and provide explanation in the Part of Supplementary Information below/by using additional sheet

Part 1 – OVERVIEW

Q1	Guideline 1.18	<p>RAs may take disciplinary actions against FIs (including MSOs) for any contravention of a specified provision in the AMLO. The disciplinary actions that can be taken include publicly reprimanding the FI; ordering the FI to take any action for the purpose of remedying the contravention; and ordering the FI to pay a pecuniary penalty not exceeding the greater of \$10,000,000 and 3 times the amount of profit gained, or costs avoided, by the FI as a result of the contravention.</p> <p><u>Do you know the disciplinary actions that CCE may take against an MSO for any contravention of a specified provision in the AMLO with regard to the above provision?</u></p>	<p>Yes, I know <input type="checkbox"/> No, I don't know <input type="checkbox"/></p>
-----------	----------------	--	---

Part 2 – AML/CFT SYSTEMS

Q2	Guideline 2.4	<p>An FI should also consider its delivery/distribution channels and the extent to which these are vulnerable to ML/TF abuse. These may include sales through online, postal or telephone channels where a non-face-to-face account opening approach is used. Business sold through intermediaries may also increase risk as the business relationship between the customer and an FI may become indirect.</p> <p><u>Do you know the risk in dealing with non-face-to-face account opening in the business of an MSO with regard to the above provision?</u></p>	<p>Yes, I know <input type="checkbox"/> No, I don't know <input type="checkbox"/></p>
Q3	Guideline 2.5	<p>When assessing the customer risk, FIs should consider who their customers are, what they do and any other information that may suggest the customer is of higher risk.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) <input type="checkbox"/> (b) <input type="checkbox"/> (c) <input type="checkbox"/> (d) <input type="checkbox"/></p>
Q4	Guideline 2.8	<p>An FI should pay particular attention to countries or geographical locations of operation with which its customers and intermediaries are connected where they are subject to high levels of organized crime, increased vulnerabilities to corruption and inadequate systems to prevent and detect ML/TF. When assessing which countries are more vulnerable to corruption, FIs may make reference to publicly available information or relevant reports and databases on corruption risk published by specialised national, international, non-governmental and commercial organisations.</p>	

		<u>Did your company take any measure with regard to the above provision?</u>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>
--	--	--	---------------------------------	---------------------------------	---------------------------------	---------------------------------

Part 3 – RISK-BASED APPROACH

General requirement

Q5	Guideline 3.2	<p>FIs should determine the extent of CDD measures and ongoing monitoring, using an RBA depending upon the background of the customer and the product, transaction or service used by that customer, so that preventive or mitigating measures are commensurate to the risks identified. The measures must however comply with the legal requirements of the AMLO.</p> <p>The RBA will enable FIs to subject customers to proportionate controls and oversight by determining:</p> <ul style="list-style-type: none"> (a) the extent of the due diligence to be performed on the direct customer; the extent of the measures to be undertaken to verify the identity of any beneficial owner and any person purporting to act on behalf of the customer; (b) the level of ongoing monitoring to be applied to the relationship; and (c) measures to mitigate any risks identified. <p>For example, the RBA may require extensive CDD for high risk customers, such as an individual (or corporate entity) whose source of wealth and funds is unclear or who requires the setting up of complex structures.</p> <p>FIs should be able to demonstrate to the RAs that the extent of CDD and ongoing monitoring is appropriate in view of the customer's ML/TF risks.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>
-----------	---------------	--	---------------------------------	---------------------------------	---------------------------------	---------------------------------

Documenting risk assessment

Q6	Guideline 3.8	<p>An FI should keep records and relevant documents of the risk assessment covered in this Part so that it can demonstrate to the RAs, among others:</p> <ul style="list-style-type: none"> (a) how it assesses the customer's ML/TF risk; and (b) the extent of CDD and ongoing monitoring is appropriate based on that customer's ML/TF risk. <p><u>Did your company take any measure with regard to the above provision?</u></p>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>
-----------	---------------	---	---------------------------------	---------------------------------	---------------------------------	---------------------------------

Part 4 - CUSTOMER DUE DILIGENCE

4.1 Introduction to CDD

Q7	Guideline 4.1.3	<p>The following are CDD measures applicable to an FI:</p> <ul style="list-style-type: none"> (a) identify the customer and verify the customer's identity using reliable, independent source documents, data or information; (b) where there is a beneficial owner in relation to the customer, identify and take reasonable measures to verify the beneficial owner's identity so that the FI is satisfied that it knows who the beneficial owner is, including in the case of a legal person or trust, measures to enable the FI to understand the ownership and control structure of the legal person or trust; (c) obtain information on the purpose and intended nature of the business relationship (if any) established with the FI unless the purpose and intended nature are obvious; and (d) if a person purports to act on behalf of the customer: <ul style="list-style-type: none"> (i) identify the person and take reasonable measures to verify the person's identity using reliable and independent source documents, data or information; and (ii) verify the person's authority to act on behalf of the customer. <p><u>Did your company take any measure with regard to the above provision?</u></p>	<div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div>(a) <input type="checkbox"/></div> <div>(b) <input type="checkbox"/></div> <div>(c) <input type="checkbox"/></div> <div>(d) <input type="checkbox"/></div> </div>
Q8	Guideline 4.1.9	<p>CDD requirements should apply:</p> <ul style="list-style-type: none"> (a) at the outset of a business relationship; (b) before performing any occasional transaction: <ul style="list-style-type: none"> (i) equal to or exceeding an aggregate value of \$120,000, whether carried out in a single operation or several operations that appear to the FI to be linked; or (ii) a wire transfer equal to or exceeding an aggregate value of \$8,000, whether carried out in a single operation or several operations that appear to the FI to be linked; (c) when the FI suspects that the customer or the customer's account is involved in ML/TF; or (d) when the FI doubts the veracity or adequacy of any information previously obtained for the purpose of identifying the customer or for the purpose of verifying the customer's identity. <p><u>Did your company take any measure with regard to the above provision?</u></p>	<div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div>(a) <input type="checkbox"/></div> <div>(b) <input type="checkbox"/></div> <div>(c) <input type="checkbox"/></div> <div>(d) <input type="checkbox"/></div> </div>

4.2 Identification and verification of the customer's identity

Q9	Guideline 4.2.1	<p>The FI must identify the customer and verify the customer's identity by reference to documents, data or information provided by a reliable and independent source:</p> <ul style="list-style-type: none"> (a) a governmental body; (b) the RA or any other RA; (c) an authority in a place outside Hong Kong that performs functions similar to those of the RA or any other RA; or (d) any other reliable and independent source that is recognized by the RA. <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
-----------	-----------------	--	---

4.3 Identification and verification of a beneficial owner

Q10	Guideline 4.3.1	<p>A beneficial owner is normally an individual who ultimately owns or controls the customer or on whose behalf a transaction or activity is being conducted. In respect of a customer who is an individual (i.e. a natural person who is not acting in an official capacity on behalf of a legal person or trust), the customer himself is normally the beneficial owner. There is no requirement on FIs to make proactive searches for beneficial owners in such cases, but they should make appropriate enquiries where there are indications that the customer is not acting on his own behalf.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Q11	Guideline 4.3.2	<p>Where an individual is identified as a beneficial owner, the FI should endeavour to obtain the same identification information in respect of personal customers who need to be identified.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Q12	Guideline 4.3.6	<p>For beneficial owners, FIs should obtain the residential address (and permanent address if different) and may adopt a risk-based approach to determine the need to take reasonable measures to verify the address, taking account of the number of beneficial owners, the nature and distribution of the interests in the entity and the nature and extent of any business, contractual or family relationship.</p>	

		<u>Did your company take any measure with regard to the above provision?</u>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>
4.4 Identification and verification of a person purporting to act on behalf of the customer						
Q13	Guideline 4.4.1	<p>If a person purports to act on behalf of the customer, FIs must:</p> <p>(i) identify the person and take reasonable measures to verify the person's identity on the basis of documents, data or information provided by-</p> <p>(A) a governmental body;</p> <p>(B) the relevant authority or any other relevant authority;</p> <p>(C) an authority in a place outside Hong Kong that performs functions similar to those of the relevant authority or any other relevant authority; or</p> <p>(D) any other reliable and independent source that is recognised by the relevant authority; and</p> <p>(ii) verify the person's authority to act on behalf of the customer.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>
Q14	Guideline 4.4.3	<p>FIs should obtain written authority to verify that the individual purporting to represent the customer is authorized to do so.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>
4.6 Purpose and intended nature of business relationship						
Q15	Guideline 4.6.1	<p>An FI must understand the purpose and intended nature of the business relationship. In some instances, this will be self-evident, but in many cases, the FI may have to obtain information in this regard.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>
4.8 Natural persons						
<u>Identification</u>						
Q16	Guideline 4.8.1	FIs should collect the following identification information in respect of personal customers who need to be identified:				

		<p>(a) full name; (b) date of birth; (c) nationality; and (d) identity document type and number.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
<u>Verification (Hong Kong residents)</u>			
Q17	Guideline 4.8.2	<p>For Hong Kong permanent residents, FIs should verify an individual's name, date of birth and identity card number by reference to their Hong Kong identity card. FIs should retain a copy of the individual's identity card.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Q18	Guideline 4.8.4	<p>For non-permanent residents, FIs should verify an individual's name, date of birth, nationality and travel document number and type by reference to a valid travel document (e.g. an unexpired international passport). In this respect the FI should retain a copy of the "biodata" page which contains the bearer's photograph and biographical details.</p> <p>Alternatively, FIs may verify the individual's name, date of birth, identity card number by reference to their Hong Kong identity card and the individual's nationality by reference to:</p> <p>(a) a valid travel document; (b) a relevant national (i.e. government or state-issued) identity card bearing the individual's photograph; or (c) any government or state-issued document which certifies nationality.</p> <p>FIs should retain a copy of the above documents.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
<u>Verification (non-residents)</u>			
Q19	Guideline 4.8.6	<p>For non-residents who are not physically present in Hong Kong for verification purposes, FIs should verify the individual's identity, including name, date of birth, nationality, identity or travel document number and type by reference to:</p>	

		<p>(a) a valid travel document;</p> <p>(b) a relevant national (i.e. government or state-issued) identity card bearing the individual's photograph;</p> <p>(c) a valid national driving license bearing the individual's photograph; or</p> <p>(d) any applicable alternatives mentioned in Appendix A of the Guideline.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Q20	Guideline 4.8.7	<p>In respect of paragraph 4.8.6 above, where a customer has not been physically present for identification purposes, an FI must also carry out the measures at section 9 of Schedule 2 of the AMLO, with reference to the guidance provided at paragraphs 4.12 of the Guideline.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
<u>Address identification and verification</u>			
Q21	Guideline 4.8.8	<p>An FI should obtain and verify the residential address (and permanent address if different) of a direct customer with whom it establishes a business relationship as this is useful for verifying an individual's identity and background.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Q22	Guideline 4.8.10	<p>Methods for verifying residential addresses may include obtaining:</p> <p>(a) a recent utility bill issued within the last 3 months;</p> <p>(b) recent correspondence from a Government department or agency (i.e. issued within the last 3 months);</p> <p>(c) a statement, issued by an authorised institution, a licensed corporation or an authorised insurer within the last 3 months;</p> <p>(d) a record of a visit to the residential address by the FI;</p> <p>(e) an acknowledgement of receipt duly signed by the customer in response to a letter sent by the FI to the address provided by the customer;</p> <p>(f) a letter from an immediate family member at which the individual resides confirming that the applicant lives at that address in Hong Kong, setting out the relationship between the applicant and the immediate family member, together with evidence that the immediate family member resides at the same address</p>	

		<p>(for persons such as students and housewives who are unable to provide proof of address of their own name);</p> <p>(g) mobile phone or pay TV statement (sent to the address provided by the customer) issued within the last 3 months;</p> <p>(h) a letter from a Hong Kong nursing or residential home for the elderly or disabled, which an FI is satisfied that it can place reliance on, confirming the residence of the applicant;</p> <p>(i) a letter from a Hong Kong university or college, which an FI is satisfied that it can place reliance on, that confirms residence at a stated address;</p> <p>(j) a Hong Kong tenancy agreement which has been duly stamped by the Inland Revenue Department;</p> <p>(k) a current Hong Kong domestic helper employment contract stamped by an appropriate Consulate (the name of the employer should correspond with the applicant's visa endorsement in their passport);</p> <p>(l) a letter from a Hong Kong employer together with proof of employment, which an FI is satisfied that it can place reliance on and that confirms residence at a stated address in Hong Kong;</p> <p>(m) a lawyer's confirmation of property purchase, or legal document recognising title to property; and</p> <p>(n) for non-Hong Kong residents, a government-issued photographic driving license or national identity card containing the current residential address or bank statements issued by a bank in an equivalent jurisdiction where the FI is satisfied that the address has been verified.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
4.9 Legal persons and trusts			
<u>General</u>			
Q23	Guideline 4.9.1	<p>For legal persons, the principal requirement is to look behind the customer to identify those who have ultimate control or ultimate beneficial ownership over the business and the customer's assets. FIs would normally pay particular attention to persons who exercise ultimate control over the management of the customer.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Q24	Guideline 4.9.4	<p>For a customer other than a natural person, FIs should ensure that they fully understand the customer's legal form, structure and ownership, and should additionally obtain</p>	

		<p>information on the nature of its business, and the reasons for seeking the product or service unless the reasons are obvious.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Q25	Guideline 4.9.5	<p>FIs should conduct reviews from time to time to ensure the customer information held is up-to-date and relevant; methods by which a review could be conducted include conducting company searches, seeking copies of resolutions appointing directors, noting the resignation of directors, or by other appropriate means.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
<u>Corporation</u>			
<i>Identification information</i>			
Q26	Guideline 4.9.7	<p>The information below should be obtained as a standard requirement; thereafter, on the basis of the ML/TF risk, an FI should decide whether further verification of identity is required and if so the extent of that further verification. The FI should also decide whether additional information in respect of the corporation, its operation and the individuals behind it should be obtained.</p> <p>An FI should obtain and verify the following information in relation to a customer which is a corporation:</p> <p>(a) full name; (b) date and place of incorporation; (c) registration or incorporation number; and (d) registered office address in the place of incorporation.</p> <p>If the business address of the customer is different from the registered office address in (d) above, the FI should obtain information on the business address and verify as far as practicable.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Q27	Guideline 4.9.10 & 4.9.11	<p><u>4.9.10</u> FIs should:</p> <p>(a) confirm the company is still registered and has not</p>	

		<p>been dissolved, wound up, suspended or struck off;</p> <p>(b) independently identify and verify the names of the directors and shareholders recorded in the company registry in the place of incorporation; and</p> <p>(c) verify the company's registered office address in the place of incorporation.</p> <p><u>4.9.11</u></p> <p>An FI should verify the above information from:</p> <p>for a locally incorporated company:</p> <p>(a) a search of file at the Hong Kong Company Registry and obtain a company report;</p> <p>for a company incorporated overseas:</p> <p>(b) a similar company search enquiry of the registry in the place of incorporation and obtain a company report;</p> <p>(c) a certificate of incumbency or equivalent issued by the company's registered agent in the place of incorporation; or</p> <p>(d) a similar or comparable document to a company search report or a certificate of incumbency certified by a professional third party in the relevant jurisdiction verifying that the information at paragraph 4.9.10, contained in the said document, is correct and accurate.</p> <p>For avoidance of doubt, this requirement does not apply in respect of a company falling within section 4(3) of Schedule 2 of the AMLO.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) <input type="checkbox"/></p> <p>(b) <input type="checkbox"/></p> <p>(c) <input type="checkbox"/></p> <p>(d) <input type="checkbox"/></p>
Beneficial owners			
Q28	Guideline 4.9.13	<p>The AMLO defines beneficial owner in relation to a corporation as:</p> <p>(i) an individual who –</p> <p>(a) owns or controls, directly or indirectly, including through a trust or bearer share holding, not less than 10% of the issued share capital of the corporation;</p> <p>(b) is, directly or indirectly, entitled to exercise or control the exercise of not less than 10% of the voting rights at general meetings of the corporation; or</p>	

		<p>(c) exercises ultimate control over the management of the corporation; or</p> <p>(ii) if the corporation is acting on behalf of another person, means the other person.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Q29	Guideline 4.9.14	<p>An FI should identify and record the identity of all beneficial owners, and take reasonable measures to verify the identity of:</p> <p>(a) all shareholders holding 25% (for normal risk circumstances) / 10% (for high risk circumstances) or more of the voting rights or share capital;</p> <p>(b) any individual who exercises ultimate control over the management of the corporation; and</p> <p>(c) any person on whose behalf the customer is acting.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Customer not physically present for identification purposes			
Q30	Guideline 4.12.2	<p>The AMLO requires an FI to take additional measures to compensate for any risk associated with customers not physically present for identification purposes. If a customer has not been physically present for identification purposes, the FI must carry out at least one of the following measures to mitigate the risks posed:</p> <p>(a) further verifying the customer's identity on the basis of documents, data or information referred to in section 2(1)(a) of Schedule 2 of the AMLO but not previously used for the purposes of verification of the customer's identity under that section;</p> <p>(b) taking supplementary measures to verify all the information provided by the customer;</p> <p>(c) ensuring that the first payment made into the customer's account is received from an account in the customer's name with an authorized institution or a bank operating in an equivalent jurisdiction that has measures in place to ensure compliance with requirements similar to those imposed under Schedule 2 of the AMLO and is supervised for compliance with those requirements by a banking regulator in that jurisdiction.</p> <p>Consideration should be given on the basis of the ML/TF risk to obtaining copies of documents that have been</p>	

		certified by a suitable certifier. <u>Did your company take any measure with regard to the above provision?</u>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>
Suitable certifiers and the certification procedure						
Q31	Guideline 4.12.3	Use of an independent suitable certifier guards against the risk that documentation provided does not correspond to the customer whose identity is being verified. However, for certification to be effective, the certifier will need to have seen the original documentation. <u>Did your company take any measure with regard to the above provision?</u>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>
Q32	Guideline 4.12.4	Suitable persons to certify verification of identity documents may include: (a) an intermediary specified in section 18(3) of Schedule 2 of the AMLO; (b) a member of the judiciary in an equivalent jurisdiction; (c) an officer of an embassy, consulate or high commission of the country of issue of documentary verification of identity; and (d) a Justice of the Peace. <u>Did your company take any measure with regard to the above provision?</u>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>
Q33	Guideline 4.12.5	The certifier must sign and date the copy document (printing his/her name clearly in capitals underneath) and clearly indicate his/her position or capacity on it. The certifier must state that it is a true copy of the original (or words to similar effect). <u>Did your company take any measure with regard to the above provision?</u>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>
Q34	Guideline 4.12.6	FIs remain liable for failure to carry out prescribed CDD and therefore must exercise caution when considering accepting certified copy documents, especially where such documents originate from a country perceived to represent a high risk, or from unregulated entities in any jurisdiction. In any circumstances where an FI is unsure of the authenticity of certified documents, or that the documents relate to the customer, FIs should take additional				

		measures to mitigate the ML/TF risk.				
		<u>Did your company take any measure with regard to the above provision?</u>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>
4.15 Jurisdictions that do not or insufficiently apply the FATF recommendations or otherwise posing higher risk						
Q35	Guideline 4.15.2	In determining which jurisdictions do not apply, or insufficiently apply the FATF Recommendations, or may otherwise pose a higher risk, FIs should consider, among other things, circulars issued to FIs by RAs.				
		<u>Did your company take any measure with regard to the above provision?</u>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>
4.17 Reliance on CDD performed by intermediaries						
Overseas intermediaries						
Q36	Guideline 4.17.10	FIs may only rely upon an overseas intermediary carrying on business or practising in an equivalent jurisdiction where the intermediary:				
		(a) falls into one of the following categories of businesses or professions:				
		(i) an institution that carries on a business similar to that carried on by an FI mentioned in paragraph 4.17.8 of the Guideline in respect of domestic intermediaries;				
		(ii) a lawyer or a notary public;				
		(iii) an auditor, a professional accountant, or a tax advisor;				
		(iv) a trust or company service provider; and				
		(v) a trust company carrying on trust business;				
		(b) is required under the law of the jurisdiction concerned to be registered or licensed or is regulated under the law of that jurisdiction;				
		(c) has measures in place to ensure compliance with requirements similar to those imposed under Schedule 2 of the AMLO; and				
		(d) is supervised for compliance with those requirements by an authority in that jurisdiction that performs functions similar to those of any of the RAs.				
		<u>Did your company take any measure with regard to the above provision?</u>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>

Q37	Guideline 4.17.11	<p>Compliance with the requirements set out above for both domestic or overseas intermediaries may entail the FI:</p> <p>(a) reviewing the intermediary's AML/CFT policies and procedures; or</p> <p>(b) making enquiries concerning the intermediary's stature and regulatory track record and the extent to which any group's AML/CFT standards are applied and audited.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Part 5 - ONGOING MONITORING			
Risk-based approach to monitoring			
Q38	Guideline 5.10	<p>Where transactions that are complex, large or unusual, or patterns of transactions which have no apparent economic or lawful purpose are noted, FIs should examine the background and purpose, including where appropriate the circumstances, of the transactions. The findings and outcomes of these examinations should be properly documented in writing and be available to assist the RAs, other competent authorities and auditors. Proper records of decisions made, by whom, and the rationale for them will help an FI demonstrate that it is handling unusual or suspicious activities appropriately.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Q39	Guideline 5.11	<p>Such examinations may include asking the customer questions, based on common sense, that a reasonable person would ask in the circumstances. Such enquiries, when conducted properly and in good faith, do not constitute tipping off (see : < http://www.jfiu.gov.hk/eng/suspicious_ask.html>). These enquiries are directly linked to the CDD requirements, and reflect the importance of "knowing your customer" in detecting unusual or suspicious activities. Such enquiries and their results should be properly documented and be available to assist the RAs, other authorities and auditors. Where there is any suspicion, a report must be made to the JFIU.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>

Q40	Guideline 5.12	<p>Where cash transactions (including deposits and withdrawals) and transfers to third parties are being proposed by customers, and such requests are not in accordance with the customer's known reasonable practice, FIs must approach such situations with caution and make relevant further enquiries. Where the FI has been unable to satisfy itself that any cash transaction or third party transfer is reasonable, and therefore considers it suspicious, it should make a suspicious transaction report (STR) to the JFIU.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<div>(a) (b) (c) (d)</div> <div><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></div>
Part 6 – FINANCIAL SANCTIONS AND TERRORIST FINANCING			
Database maintenance and screening (customers and payments)			
Q41	Guideline 6.20	<p>It is particularly vital that an FI should be able to identify and report transactions with terrorist suspects and designated parties. To this end, the FI should ensure that it maintains a database of names and particulars of terrorist suspects and designated parties which consolidates the various lists that have been made known to it. Alternatively, an FI may make arrangements to access to such a database maintained by third party service providers.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<div>(a) (b) (c) (d)</div> <div><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></div>
Q42	Guideline 6.21	<p>FIs should ensure that the relevant designations are included in the database. Such database should, in particular, include the lists published in the Gazette and those designated under the US Executive Order 13224. The database should also be subject to timely update whenever there are changes, and should be made easily accessible by staff for the purpose of identifying suspicious transactions.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<div>(a) (b) (c) (d)</div> <div><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></div>
Q43	Guideline 6.24	<p>Enhanced checks should be conducted before establishing a business relationship or processing a transaction, where possible, if there are circumstances giving rise to suspicion.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<div>(a) (b) (c) (d)</div> <div><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></div>

Q44	Guideline 6.26	<p>If an FI suspects that a transaction is terrorist-related, it should make a report to the JFIU. Even if there is no evidence of a direct terrorist connection, the transaction should still be reported to the JFIU if it looks suspicious for other reasons, as it may emerge subsequently that there is a terrorist link.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
------------	----------------	--	---

Part 7 – SUSPICIOUS TRANSACTION REPORTS

General issues

Q45	Guideline 7.6	<p>CDD and ongoing monitoring provide the basis for recognising unusual and suspicious transactions and events. An effective way of recognising suspicious activity is knowing enough about customers, their circumstances and their normal expected activities to recognise when a transaction or instruction, or a series of transactions or instructions, is unusual.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Q46	Guideline 7.7	<p>FIs must ensure sufficient guidance is given to staff to enable them to form suspicion or to recognise when ML/TF is taking place, taking account of the nature of the transactions and instructions that staff is likely to encounter, the type of product or service and the means of delivery, i.e. whether face to face or remote. This will also enable staff to identify and assess the information that is relevant for judging whether a transaction or instruction is suspicious in the circumstances.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>

Knowledge vs. suspicion

Q47	Guideline 7.14	<p>The following is a (non-exhaustive) list of examples of situations that might give rise to suspicion in certain circumstances:</p> <ul style="list-style-type: none"> (a) transactions or instructions which have no apparent legitimate purpose and/or appear not to have a commercial rationale; (b) transactions, instructions or activity that involve apparently unnecessary complexity or which do not constitute the most logical, convenient or secure way to do business; 	
------------	----------------	---	--

		<p>(c) where the transaction being requested by the customer, without reasonable explanation, is out of the ordinary range of services normally requested, or is outside the experience of the financial services business in relation to the particular customer;</p> <p>(d) where, without reasonable explanation, the size or pattern of transactions is out of line with any pattern that has previously emerged;</p> <p>(e) where the customer refuses to provide the information requested without reasonable explanation or who otherwise refuses to cooperate with the CDD and/or ongoing monitoring process;</p> <p>(f) where a customer who has entered into a business relationship uses the relationship for a single transaction or for only a very short period without a reasonable explanation;</p> <p>(g) the extensive use of trusts or offshore structures in circumstances where the customer's needs are inconsistent with the use of such services;</p> <p>(h) transfers to and from high risk jurisdictions without reasonable explanation, which are not consistent with the customer's declared business dealings or interests; and</p> <p>(i) unnecessary routing of funds or other property from/to third parties or through third party accounts.</p> <p>FIs should also be aware of elements of individual transactions that could indicate funds involved in terrorist financing. The FATF has issued guidance for FIs in detecting terrorist financing. FIs should be familiar with the characteristics in that guidance, which are grouped under the headings of (i) accounts; (ii) deposits and withdrawals; (iii) wire transfers; (iv) characteristics of the customer or his/her identity; and (v) transactions linked to locations of concern.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) <input type="checkbox"/></p> <p>(b) <input type="checkbox"/></p> <p>(c) <input type="checkbox"/></p> <p>(d) <input type="checkbox"/></p>
Internal reporting			
Q48	Guideline 7.19	<p>An FI should appoint a Money Laundering Reporting Officer (MLRO) as a central reference point for reporting suspicious transactions. The FI should have measures in place to check, on an ongoing basis that it has policies and procedures to ensure compliance with legal and regulatory requirements and of testing such compliance. The type and extent of the measures to be taken in this respect should be appropriate having regard to the risk of ML/TF and the size of the business.</p>	

		<u>Did your company take any measure with regard to the above provision?</u>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>
Q49	Guideline 7.25	<p>All suspicious activity reported to the MLRO must be documented (in urgent cases this may follow an initial discussion by telephone). The report must include the full details of the customer and as full a statement as possible of the information giving rise to the suspicion.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>

Part 8 – RECORD KEEPING

General legal and regulatory requirements

Q50	Guideline 8.2	<p>FIs should maintain customer, transaction and other records that are necessary and sufficient to meet the record keeping requirements under the AMLO, this guideline and other regulatory requirements, that are appropriate to the scale, nature and complexity of their businesses. This is to ensure that:</p> <ul style="list-style-type: none"> (a) the audit trail for funds moving through an FI that relate to any customer and, where appropriate, the beneficial owner of the customer, account or transaction is clear and complete; (b) any customer and, where appropriate, the beneficial owner of the customer can be properly identified and verified; (c) all customer and transaction records and information are available on a timely basis to RAs, other authorities and auditors upon appropriate authority; and (d) FIs are able to comply with any relevant requirements specified in other sections of this guideline and other guidelines issued by the RAs, including, among others, records of customer risk assessment, registers of suspicious transaction reports and training records. <p><u>Did your company take any measure with regard to the above provision?</u></p>	(a) <input type="checkbox"/>	(b) <input type="checkbox"/>	(c) <input type="checkbox"/>	(d) <input type="checkbox"/>
------------	---------------	---	---------------------------------	---------------------------------	---------------------------------	---------------------------------

Retention of records relating to customer identity and transactions

Q51	Guideline 8.3	<p>FIs should keep:</p> <ul style="list-style-type: none"> (a) the original or a copy of the documents, and a record of the data and information, obtained in the course of 				
------------	---------------	--	--	--	--	--

		<p>identifying and verifying the identity of the customer and/or beneficial owner of the customer and/or beneficiary and/or persons who purport to act on behalf of the customer and/or other connected parties to the customer;</p> <p>(b) any additional information in respect of a customer and/or beneficial owner of the customer that may be obtained for the purposes of EDD or ongoing monitoring;</p> <p>(c) where applicable, the original or a copy of the documents, and a record of the data and information, on the purpose and intended nature of the business relationship;</p> <p>(d) the original or a copy of the records and documents relating to the customer's account (e.g. account opening form; insurance application form; risk assessment form) and business correspondence with the customer and any beneficial owner of the customer (which at a minimum should include business correspondence material to CDD measures or significant changes to the operation of the account).</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Q52	Guideline 8.5	<p>FIs should maintain the original or a copy of the documents, and a record of the data and information, obtained in connection with the transaction, which should be sufficient to permit reconstruction of individual transactions and establish a financial profile of any suspect account or customer. These records may include the following:</p> <p>(a) the identity of the parties to the transaction;</p> <p>(b) the nature and date of the transaction;</p> <p>(c) the type and amount of currency involved;</p> <p>(d) the origin of the funds (if known);</p> <p>(e) the form in which the funds were offered or withdrawn, e.g. cash, cheques, etc.;</p> <p>(f) the destination of the funds;</p> <p>(g) the form of instruction and authority; and</p> <p>(h) the type and identifying number of any account involved in the transaction (where applicable).</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Part 9 – STAFF TRAINING			

Q53	Guideline 9.3	<p>FIs should implement a clear and well articulated policy for ensuring that relevant staff receive adequate AML/CFT training.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Q54	Guideline 9.5	<p>FIs should provide appropriate AML/CFT training to their staff. The frequency of training should be sufficient to maintain the AML/CFT knowledge and competence of the staff.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Q55	Guideline 9.10	<p>FIs should monitor the effectiveness of the training. This may be achieved by:</p> <p>(a) testing staff's understanding of the FI's policies and procedures to combat ML/TF, the understanding of their statutory and regulatory obligations, and also their ability to recognise suspicious transactions; and</p> <p>(b) monitoring the compliance of staff with the FI's AML/CFT systems as well as the quality and quantity of internal reports so that further training needs may be identified and appropriate action can be taken.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>

Part 11 - Remittance Transactions

Identification and Verification of Originator

Q56	Guideline 11.3	<p>Before carrying out a remittance transaction of \$8,000 or above, or of an equivalent amount in any other currency, an MSO is required to identify the originator and verify the identity of the originator.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) (b) (c) (d)</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>
Q57	Guideline 11.4 & 11.5	<p>Pursuant to the AMLO, an originator of a remittance transaction is the person from whose account with the MSO the money for the remittance is paid; or in the absence of such an account, the person who instructs the MSO to carry out the remittance transaction.</p> <p>An MSO is required to identify and verify the identity of the originator of the transaction by reference to the</p>	

		<p>originator's identification document.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) <input type="checkbox"/> (b) <input type="checkbox"/> (c) <input type="checkbox"/> (d) <input type="checkbox"/></p>																		
Q58	Guideline 11.6	<p>Before carrying out a remittance transaction, other than a wire transfer, of \$8,000 or above or of an equivalent amount in any other currency, an MSO is required to record (i) the originator's name; (ii) the originator's identification document number and, if the originator's identification document is a travel document, the place of issue of the travel document; (iii) the originator's address; (iv) the currency and amount involved; and (v) the date and time of receipt of the instruction, the recipient's name and address and the method of delivery. An MSO should be able to justify that they have taken steps in accordance with Part 8 to keep the record of the originator and the related transaction with a view to making this information available to the Commissioner of Customs and Excise should the need arise.</p> <p><u>Did your company take any measure with regard to the above provision?</u></p>	<p>(a) <input type="checkbox"/> (b) <input type="checkbox"/> (c) <input type="checkbox"/> (d) <input type="checkbox"/></p>																		
Q59	<p>Please fill in your transaction information in the following periods</p> <table border="1"> <thead> <tr> <th rowspan="2"><u>Transaction Periods</u></th> <th rowspan="2">Money Changing Transactions <u>Amount in HKD</u></th> <th colspan="2"><u>Remittance Transactions</u></th> </tr> <tr> <th><u>Inward Remittance Amount in HKD</u></th> <th><u>Outward Remittance Amount in HKD</u></th> </tr> </thead> <tbody> <tr> <td>From 1 April 2012 to 31 December 2012</td> <td></td> <td></td> <td></td> </tr> <tr> <td>From 1 January 2013 to 31 December 2013</td> <td></td> <td></td> <td></td> </tr> <tr> <td>From 1 January 2014 to (#_____)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p><i># The date of filling out this Questionnaire</i></p>			<u>Transaction Periods</u>	Money Changing Transactions <u>Amount in HKD</u>	<u>Remittance Transactions</u>		<u>Inward Remittance Amount in HKD</u>	<u>Outward Remittance Amount in HKD</u>	From 1 April 2012 to 31 December 2012				From 1 January 2013 to 31 December 2013				From 1 January 2014 to (#_____)			
<u>Transaction Periods</u>	Money Changing Transactions <u>Amount in HKD</u>	<u>Remittance Transactions</u>																			
		<u>Inward Remittance Amount in HKD</u>	<u>Outward Remittance Amount in HKD</u>																		
From 1 April 2012 to 31 December 2012																					
From 1 January 2013 to 31 December 2013																					
From 1 January 2014 to (#_____)																					
Q60	Where are the major destinations of the money you remitted to?		<p>_____</p> <p>_____</p>																		

Q61	What is/are the usual delivery method(s) in doing remittance transaction(s)? (Please tick in the box as appropriate) (i) Counter-balancing (ii) Remittance through bank (iii) Remittance through a third party other than a bank	(i) <input type="checkbox"/>	(ii) <input type="checkbox"/>	(iii) <input type="checkbox"/>
Q62	Do you have regular customers in your remittance business? If yes, please provide answer to Q63	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Q63	How many regular customers?	_____		

GLOSSARY OF KEY TERMS AND ABBREVIATIONS

Terms/abbreviations	Meaning
AMLO	Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap. 615)
AML/CFT	Anti-money laundering and counter financing of terrorism
CDD	Customer due diligence
EDD	Enhanced due diligence
FATF	Financial Action Task Force
FIs	Financial institutions
Guideline	Guideline on Anti-Money Laundering and Counter-Terrorist Financing
JFIU	Joint Financial Intelligence Unit
ML/TF	Money laundering and terrorist financing
MSOs	Money Service Operators
RAs	Relevant authorities
RBA	Risk-based approach

SUPPLEMENTARY INFORMATION (If necessary, please specify in additional sheet)

[illegible]