

Press release

Commencement of anti-money laundering law and appointment of Review Tribunal

Friday, March 30, 2012

The Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap 615) (AMLO), which was approved by the Legislative Council in June 2011 to enhance the anti-money laundering (AML) and counter-financing of terrorism (CFT) regime in respect of the financial sector, will come into effect on Sunday (April 1).

A spokesman for the Financial Services and the Treasury Bureau said today (March 30), "The new Ordinance seeks to better align Hong Kong's AML/CFT regime with the prevailing international standards, and helps consolidate Hong Kong's status as an international financial centre. Under the new statutory framework, the financial institutions will play their role as the first-line firewall defending Hong Kong from money laundering and terrorist financing activities."

Under the AMLO, specified financial institutions, including banks, securities firms, insurance companies and intermediaries, and remittance agents and money changers have a statutory obligation to conduct customer due diligence on their customers and keep the relevant records for a specified period. Non-compliance may render them liable to supervisory and criminal sanctions.

As from April 1, the Customs and Excise Department (C&ED) will operate a statutory licensing regime for remittance agents and money changers (RAMCs), who are categorised as money service operators under the new Ordinance. To facilitate smooth migration of RAMCs from the existing registration system to the new licensing regime, the new Ordinance provides for a transitional period of 60 days (from April 1 to May 30, 2012) during which RAMCs currently registered with the Police may apply to the C&ED for a licence under the new licensing regime. They can continue running their RAMC business at registered premises until the end of the 60-day transitional period or, if they have lodged an application for a licence during the transitional period, until the application is granted, refused or withdrawn.

At present, there are about 2,700 RAMCs registered with the Police. The C&ED has been in contact with these registered RAMCs in the past few months to explain the requirement for obtaining a licence after April 1, 2012 and the procedures for application.

"We would like to remind RAMCs currently registered with the Police of the need to file an application for a money service operators licence with the C&ED on or before May 30, so that they may continue to run their business without interruption," the spokesman said.

To provide for proper checks and balances, the new Ordinance establishes an independent Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Review Tribunal to review decisions made by the relevant authorities in respect of the imposition of supervisory sanctions, as well as decisions on licensing matters made by the Commissioner of Customs and Excise in respect of money service operators.

The appointment of the Chairperson and a panel of nine members to the independent Review Tribunal made by the Secretary for Financial Services and the Treasury (SFST), Professor K C Chan, will take effect from April 1. The appointments were gazetted today.

Unless a review can be determined by the Chairperson as the sole member of the Tribunal in circumstances specified under the Ordinance, the SFST shall, upon the recommendation of the Chairperson, appoint two panel members as ordinary members of the Tribunal in relation to a review.

On the appointment of Mr Martin Liao Cheung-kong as the Chairperson, the spokesman said, "Mr Liao is an experienced barrister and has experience serving on various appeals/review tribunals. We believe that with the support from members who are drawn from relevant professional fields, Mr Liao is capable of leading the work of the newly established Tribunal."

The terms of office of the appointees are staggered to allow for continuity. The Chairperson and six panel members will be appointed for a term of three years from April 1 to March 31, 2015, and three panel members will be appointed for a term of two years from April 1 to March 31, 2014.

The membership list is as follows:

Mr Martin Liao Cheung-kong (Chairperson)	(3 years)
Mr Nixon Chan Lik-sang	(3 years)
Ms Chu Koh-ann	(3 years)
Mr Wilson Fung Ying-wai	(2 years)
Mrs Agnes Koon Woo Kam-oi	(3 years)
Ms Miranda Kwok Pui-fong	(3 years)
Professor Lam Kit-chun	(2 years)
Mr William Lee Yiu-wing	(3 years)
Mr Paul Shieh Wing-tai	(2 years)
Mr Allan Yu Kin-nam	(3 years)

Ends