



**SECURITIES AND
FUTURES COMMISSION**
證券及期貨事務監察委員會

**Prevention of Money Laundering and Terrorist Financing
Guideline issued by the Securities and Futures
Commission for Associated Entities of Licensed
Corporations and SFC-licensed Virtual Asset Service
Providers**

June 2023

© Securities & Futures Commission 2023

April 2012 first edition

March 2018 second edition

November 2018 third edition

September 2021 fourth edition

June 2023 fifth edition

Published by

Securities and Futures Commission

54/F, One Island East

18 Westlands Road

Quarry Bay

Hong Kong

Tel : (852) 2231 1222

Fax : (852) 2521 7836

E-mail : enquiry@sfc.hk

SFC website : www.sfc.hk

Prevention of Money Laundering and Terrorist Financing Guideline issued by the Securities and Futures Commission for Associated Entities of Licensed Corporations and SFC-licensed Virtual Asset Service Providers

Introduction		
s.399, SFO, s.53ZTK, AMLO	1	This Guideline is published under section 399 of the Securities and Futures Ordinance, Cap. 571 (the SFO) and section 53ZTK of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, Cap. 615 (the AMLO).
	2	The Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Corporations and SFC-licensed Virtual Asset Service Providers) (the Guideline for LCs and SFC-licensed VAS Providers) issued by the Securities and Futures Commission (SFC) sets out the relevant anti-money laundering and counter-financing of terrorism (AML/CFT) statutory and regulatory requirements, and the AML/CFT standards which licensed corporations (LCs) and virtual asset service providers licensed by the SFC under the AMLO (SFC-licensed VAS Providers) should meet in order to comply with the statutory requirements under the AMLO and the SFO.
	3	The Guideline for LCs and SFC-licensed VAS Providers also: <ul style="list-style-type: none"> (a) provides a general background on the subjects of money laundering and terrorist financing (ML/TF), including a summary of the main provisions of the applicable AML/CFT legislation in Hong Kong; and (b) provides practical guidance to assist LCs and SFC-licensed VAS Providers, and their senior

		management in designing and implementing their own policies, procedures and controls in the relevant operational areas, taking into consideration their special circumstances so as to meet the relevant AML/CFT statutory and regulatory requirements.
	4	Terms and abbreviations used in this Guideline shall be interpreted by reference to the definitions set out in the Glossary part of the Guideline for LCs and SFC-licensed VAS Providers. Where applicable, interpretation of other words or phrases should follow those set out in the AMLO or the SFO (as the case may be).
Associated Entities to comply with the Guideline for LCs and SFC-licensed VAS Providers		
	5	This Guideline is intended for use by associated entities (AEs) that are not authorized financial institutions and their officers and staff.
	6	The Guideline for LCs and SFC-licensed VAS Providers provides a comprehensive explanation of the AML/CFT legislation in Hong Kong and practical guidance in designing and implementing policies, procedures and controls so as to meet the relevant AML/CFT statutory and regulatory requirements and the AML/CFT standards. AEs that are not authorized financial institutions are expected to have regard to the provisions of the Guideline for LCs and SFC-licensed VAS Providers as if they were themselves LCs and/or SFC-licensed VAS Providers.
	7	An AE that is an authorized financial institution should have regard to the provisions of the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Authorized Institutions) issued by the Hong Kong Monetary Authority for use by authorized institutions, and any of the following provisions of the

		Guideline for LCs and SFC-licensed VAS Providers that are applicable: paragraph 4.1.6 for the definition of “customer” for the securities, futures and leveraged foreign exchange businesses (hereafter collectively referred to as “securities sector”), paragraphs 4.20 for the provision on cross-border correspondent relationships applicable to the securities sector, Chapter 12 for the provisions in relation to virtual assets, and Appendix B for illustrative indicators of suspicious transactions and activities in the securities sector.
	8	For the avoidance of doubt, the use of the word “must” or “should” in relation to an action, consideration or measure referred to in this Guideline and the Guideline for LCs and SFC-licensed VAS Providers indicates that it is a mandatory requirement. Given the significant differences that exist in the organisational and legal structures of different AEs, and the LCs with which they are in a controlling entity relationship or the SFC-licensed VAS Providers of which they are wholly owned subsidiaries, as well as the nature and scope of the business activities conducted by them, there exists no single set of universally applicable implementation measures. The content of this Guideline and the Guideline for LCs and SFC-licensed VAS Providers is not intended to be an exhaustive list of the means of meeting the statutory and regulatory requirements. AEs therefore should use this Guideline and the Guideline for LCs and SFC-licensed VAS Providers as a basis to develop measures appropriate to their structure and business activities.
	9	The Guideline for LCs and SFC-licensed VAS Providers will assist AEs to meet their AML/CFT legal and regulatory obligations when tailored by AEs to their particular business risk profile.
s.399, SFO,	10	A failure by any person to comply with any provision

s.53ZTK, AMLO		of this Guideline does not by itself render the person liable to any judicial or other proceedings but, in any proceedings under the AMLO or the SFO before any court, this Guideline is admissible in evidence; and if any provision set out in this Guideline appears to the court to be relevant to any question arising in the proceedings, the provision must be taken into account in determining that question.
s.53ZTK(6), AMLO	11	Any failure by an AE to have regard to the provisions of the Guideline for LCs and SFC-licensed VAS Providers may reflect adversely on its fitness and properness and the fitness and properness of the intermediary with which the AE is in a controlling entity relationship or the SFC-licensed VAS Provider of which the AE is a wholly owned subsidiary.
	12	Any failure by an AE that is an authorized financial institution to have regard to the provisions of the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Authorized Institutions) issued by the Hong Kong Monetary Authority for use by authorized institutions, or to paragraphs 4.1.6 and 4.20 of, Chapter 12 of, and Appendix B to the Guideline for LCs and SFC-licensed VAS Providers may reflect adversely on its fitness and properness and the fitness and properness of the intermediary with which the AE is in a controlling entity relationship.
	13	The relevance and usefulness of this Guideline will be kept under review and it may be necessary to issue amendments from time to time.