

Suspicious Transaction Reporting

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**Joint Financial
Intelligence Unit**



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Legislation

- ❖ **Drug Trafficking (Recovery of Proceeds) Ordinance (DTROP, Cap 405)**
- ❖ **Organized & Serious Crimes Ordinance (OSCO, Cap 455)**
- ❖ **United Nations (Anti-Terrorism Measures) Ordinance (UNATMO, Cap 575)**
- ❖ **Anti-Money Laundering & Counter-Terrorist Financing Ordinance (AMLO, Cap 615)**



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Legal Obligation to File STR

(s.25A of OSCO / DTROP and s.12 of UNATMO)

- ❖ Any person, who **knows / suspects** any property represents **proceeds of crime / terrorist property**, shall **make a report** to an authorized officer (**JFIU**).

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'Protection'

[s.25A (2) of OSCO / DTROP]

If a person who has made an STR does any act in contravention of s. 25(1) "Money Laundering", the person does not commit the offence if:

❖ that STR is made BEFORE the act AND the act is done **with the consent** of an authorized officer (**JFIU**)

OR

❖ that STR is made AFTER the act; on his own initiative; and as soon as reasonably practicable



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Other Protection

- ✘ be treated as **a breach of any restriction upon the disclosure** of information imposed by contract or by any enactment, rule of conduct or other provision [s.25A(3)]
- ✘ render **liable in damages for any loss** arising out of the disclosure [s.25A(3)]
- ✘ reveal **the identity of any person** as the person making the disclosure [s.26]



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Tipping Off

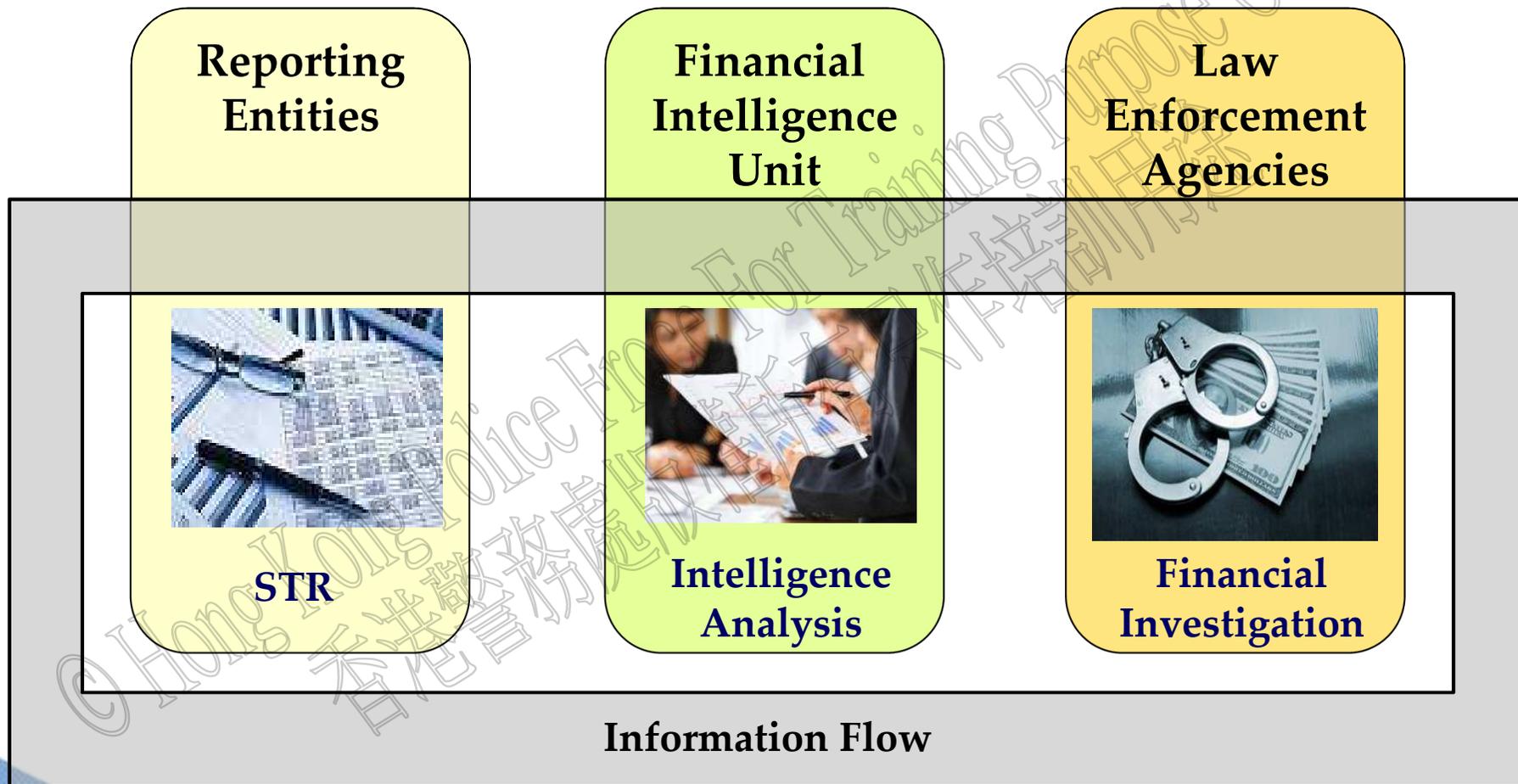
[s.25A(5) of OSCO / DTROP]

A person commits “Tipping Off” offence if

- ❖ - he knows or suspects an STR has been made
- ❖ - discloses to any other person any matter
- ❖ - likely to prejudice any investigation regarding the STR



Our Partnership in AML



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Good Quality STR

'SAFE' Approach

- ❖ **S**creen the clients/activities for suspicious indicators; then
- ❖ **A**sk the clients appropriate questions; then
- ❖ **F**ind out the clients records and review information in hand; then
- ❖ **E**valuate all the information to decide whether or not to make an STR



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STR Content

- ❖ Subject's personal information
- ❖ Suspicious activities
- ❖ Intended follow-up action
- ❖ Why suspicious?
 - Any indicators?
 - Assessment & Analysis?
 - Explanation by customers, if any.



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STR Figures

	2014	2015	2016	2017
Annual STR No.	37,188	42,555	76,590	92,115
No. of STRs Filed by Securities Sector	1,574	1,095	1,423	2,090



STR Submission

Joint Financial Intelligence Unit
The Government of the Hong Kong Special Administrative Region

GovHK 香港政府一站通 繁體版 简体版 Text Version

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STR Feedback

- ❖ Receipt Acknowledgement
 - JFIU Reference of the submitted STR
- ❖ Consent/ No Consent
- ❖ Quarterly Report

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Thank you!

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