

Anti-Money Laundering ("AML") and Combating Terrorist Financing ("CFT") Self-assessment Survey (Full Version)

Name of Licensed Corporation/ Group of Licensed Corporations:

Date of submission:

Any enquiry of this self-assessment survey may be made to the following person:

Name: Title:

Phone No: E-mail address:

SFC Ref (Guidance Note on Prevention of ML and TF)	#	Requirement/ Question	Yes	No	C	PC	NC	N/A	Justifications /Answers
(A) AML/CFT Policies and Procedures									
4.2	#1	LC is required to establish appropriate policies and procedures to combat money laundering and terrorist financing and communicate these to its staff.							
4.1.1	1.1	Have you established AML/CFT policies and procedures with regards to the particular nature and size of your business?	<input type="checkbox"/>	<input type="checkbox"/>					
4.1.1	1.2	What factors do you consider when assessing money laundering and terrorist financing risks? (a) Risks related to the different stages of money laundering (ie placement, layering and integration stages) (b) Underlying risk factors/ criteria such as: (i) Types of clients (ii) Types of services/ products provided (iii) Country risk (c) Others (please elaborate)	<input type="checkbox"/>	<input type="checkbox"/>					
4.2.1 & 4.2.2	1.3	Do your AML/CFT policies and procedures cover the following areas? (a) Customer due diligence (b) Indicators of suspicious activities and recognition of suspicious transactions (c) Reporting of suspicious transactions (d) Staff awareness and training (e) Record keeping and retention (f) Others (please elaborate)	<input type="checkbox"/>	<input type="checkbox"/>					
4.2.2	1.4	Are your AML/CFT policies and procedures updated regularly to reflect the latest legal and regulatory AML/CFT requirements?	<input type="checkbox"/>	<input type="checkbox"/>					
4.2.2	1.5	Are your AML/CFT policies and procedures endorsed by senior management?	<input type="checkbox"/>	<input type="checkbox"/>					
4.2.2	1.6	Have you adequately communicated your AML/CFT policies and procedures to your staff? If yes, how? (a) Circulate the AML/CFT policy to staff regularly (b) Provide job-specific AML/CFT training and knowledge to applicable staff (c) Require staff to confirm receipt of AML/CFT policies	<input type="checkbox"/>	<input type="checkbox"/>					

		(d) Ensure staff understand AML/CFT policies and procedures through testing and other means	<input type="checkbox"/>	<input type="checkbox"/>	
		(e) Others (please elaborate)	<input type="checkbox"/>	<input type="checkbox"/>	
4.2.2	1.7	Do you conduct regular independent review and testing (e.g. by internal audit or compliance function) to ensure the effectiveness of the policies and procedures?	<input type="checkbox"/>	<input type="checkbox"/>	
		If yes, how often?			
		If yes, by whom?			

(B) Customer Acceptance and Customer Due Diligence ("CDD")

5.1	#2	LC is required to adopt customer acceptance policies and procedures with measures to identify high risk customers.					
5.2	2.1	Do you have a criteria and methodology for determining the risk ranking of each particular customer (e.g. high risk customer)? If yes, please elaborate.	<input type="checkbox"/>	<input type="checkbox"/>			
		If yes, are the following factors considered?					
		(a) Client type / entity type	<input type="checkbox"/>	<input type="checkbox"/>			
		(b) Regulated or listed status	<input type="checkbox"/>	<input type="checkbox"/>			
		(c) Background check results	<input type="checkbox"/>	<input type="checkbox"/>			
		(d) Industry/ profession	<input type="checkbox"/>	<input type="checkbox"/>			
		(e) Country	<input type="checkbox"/>	<input type="checkbox"/>			
		(f) Products and services	<input type="checkbox"/>	<input type="checkbox"/>			
		(g) Distribution channels	<input type="checkbox"/>	<input type="checkbox"/>			
		(h) Payment method	<input type="checkbox"/>	<input type="checkbox"/>			
		(i) Others (please elaborate)	<input type="checkbox"/>	<input type="checkbox"/>			
5.1 & 6.2.1	2.2	Do you apply enhanced CDD on high risk customers and require higher level of approval for acceptance? If yes, please elaborate.	<input type="checkbox"/>	<input type="checkbox"/>			
6.1.9	2.3	Is CDD always completed before establishing business relationships?	<input type="checkbox"/>	<input type="checkbox"/>			
6.1.10		If no, do you have clear policies and procedures concerning the conditions and timeframe under which a customer is permitted to establish the business relationship prior to verification? What are the conditions and timeframe ?	<input type="checkbox"/>	<input type="checkbox"/>			
	#3	LC is required to conduct ongoing due diligence on the business relationship.					
6.1.2(d)	3.1	Have you performed ongoing scrutiny of the transactions and account throughout the course of the business relationship to ensure that the transactions being conducted are consistent with your knowledge of the customer, its business and risk profile, taking into account, where necessary, the customer's source of funds?	<input type="checkbox"/>	<input type="checkbox"/>			
6.1.11	3.2	Have you taken reasonable steps to ensure that records of existing customers remain up-to-date and relevant?	<input type="checkbox"/>	<input type="checkbox"/>			
6.1.1 & 6.3	#4	LC is required to identify and verify the true and full identity of each individual customer by using reliable and independent sources of information.					

Is the following information collected?

- (a) Name
- (b) Number of Hong Kong ID Card if Hong Kong resident and passport or other unexpired government-issued identification document
- (c) Date of birth
- (d) Residential address (and permanent address if different from residential address)
- (e) Customer occupation or business
- (f) Others (please elaborate)

Are the following documents obtained?

- (a) Hong Kong ID card, passport or other unexpired government-issued identification document
- (b) Proof of address (e.g. utility bills or bank statements)

6.4.1

#5 LC is required to identify and verify the true and full identity of each corporate customer and its beneficial owners by using reliable and independent sources of information.

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Are the following documents and information obtained?

- (a) Certificate of Incorporation and Business Registration Certificate
- (b) Board resolution evidencing approval for account opening and authority of individuals to operate account
- (c) Information on the nature of business, ownership and control
- (d) Specimen signature of account signatories
- (e) Copies of identification documents of at least 2 people authorised to act on behalf of corporate customer
- (f) Copies of identification documents of at least 2 directors including the managing director
- (g) Copies of identification documents of substantial shareholders and if applicable, ultimate principal beneficial owners
- (h) Others (please elaborate)

6.6.2 & 6.6.3

#6 For an omnibus account established in the name of a financial or professional intermediary, LC is required to adopt enhanced CDD to gather sufficient information about the nature of the intermediary's business and the regulatory and oversight regime in which the intermediary is located.

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6.6.4

6.1 Have you adopted enhanced CDD to the following professional or financial intermediaries? If yes, please elaborate.

- (a) Incorporated in countries assessed by you as having high ML/ TF risk
- (b) In a jurisdiction where it has neither physical presence nor is affiliated with a regulated financial group that has such presence
- (c) If a professional or financial intermediary does not have reliable procedures to verify customer identities
- (d) Other situations (please elaborate)

6.6.6

6.2 Is senior management approval required for omnibus accounts opened by professional or financial intermediaries?

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6.9	#7	LC is required to determine whether a potential customer, a customer or the beneficial owner is a politically exposed person ("PEP") and to adopt enhanced CDD on PEPs.					
6.9.4	7.1	Are there procedures and controls in place to determine if a customer is a PEP? If yes, please elaborate (e.g. description of database for PEP checking).	<input type="checkbox"/>	<input type="checkbox"/>			
6.9.5	7.2	Is the source of wealth and funds of a PEP customer ascertained?	<input type="checkbox"/>	<input type="checkbox"/>			
6.9.6	7.3	Is senior management approval required to open account for PEPs or to continue an existing relationship with a customer previously not identified as a PEP?	<input type="checkbox"/>	<input type="checkbox"/>			
6.10	#8	LC is required to have policies and procedures in place to address any specific risks associated with non face-to-face business relationships or transactions.					
	8.1	Do all your customers open an account with your company with face-to-face contact?	<input type="checkbox"/>	<input type="checkbox"/>			
6.10.2	8.2	If no, have you adopted the measures set out in section 6.10.2 of the Guidance Note to certify the identity of the customer that has no face-to-face contact (e.g. the sighting of identity documents be certified by a licensed person, a JP or a professional person)?	<input type="checkbox"/>	<input type="checkbox"/>			
6.10.3 & 6.10.4	8.3	If the certifier is in a jurisdiction that is not a FATF member or an equivalent jurisdiction, have you adopted enhanced CDD to mitigate the associated risks?	<input type="checkbox"/>	<input type="checkbox"/>			

(C) Record Keeping and Retention of Records

7.3	#9	LC is required to maintain records which are sufficient to permit reconstruction of individual transactions (including the amounts and types of currencies involved, if any) so as to provide, if necessary, evidence for prosecution of criminal behavior or activity to the investigating authorities.					
8.1 & 8.2	#10	LC is required to retain various types of records for respective minimum periods of time.					
	(a)	All necessary records on transactions, both domestic and international, are maintained for at least 7 years.	<input type="checkbox"/>	<input type="checkbox"/>			
	(b)	Records on customer identification, account files and business correspondence for at least 5 years after account is closed.	<input type="checkbox"/>	<input type="checkbox"/>			
	(c)	Records relating to an ongoing investigation or subject of a suspicious transaction report are retained until the relevant case is closed.	<input type="checkbox"/>	<input type="checkbox"/>			

(D) Recognition and Reporting of Suspicious Transactions

9.1	#11 LC is required to adopt on-going monitoring procedures to identify suspicious transactions for the reporting of funds or property known or suspected to be proceeds of crime or terrorist activity to Joint Financial Intelligence Unit ("JFIU").					
9.2 & 9.5	11.1 Have you adopted systems and procedures to enable detection of patterns of unusual and suspicious activity. If yes, please elaborate.	<input type="checkbox"/>	<input type="checkbox"/>			
9.2	11.2 Have you communicated the indicators of potentially suspicious or unusual activities specific to your organization to staff?	<input type="checkbox"/>	<input type="checkbox"/>			
9.7	11.3 Have you adopted procedures to identify terrorist suspects specified in the Gazette Notices and circulars issued by the SFC periodically?	<input type="checkbox"/>	<input type="checkbox"/>			
	Do your procedures cover the following customers? If yes, please elaborate.					
	(a) new customers	<input type="checkbox"/>	<input type="checkbox"/>			
	(b) existing customers	<input type="checkbox"/>	<input type="checkbox"/>			
	11.4 Do you use third party systems or rely on related entities for the screening of customers?	<input type="checkbox"/>	<input type="checkbox"/>			
	If yes, how do you ensure that they are checked against the Gazette Notices and circulars issued by the SFC ?					
	11.5 Do you have policies and procedures to monitor the following types of suspicious transactions for reporting to the JFIU?					
	(a) Large or unusual settlements of transactions in cash or bearer form; and	<input type="checkbox"/>	<input type="checkbox"/>			
	(b) Frequent funds transfers or cheque payments to or from unverified or difficult to verify third parties.	<input type="checkbox"/>	<input type="checkbox"/>			
	If yes, please elaborate.					
10.2	#12 LC is required to appoint an officer to act as a central reference point within the organization to facilitate onward reporting to the JFIU.					
10.2	12.1 Have you designated an officer to oversee AML/CFT compliance and act as a central reference point within the organisation to facilitate onward reporting to the JFIU.	<input type="checkbox"/>	<input type="checkbox"/>			
	If yes,					
	(a) Please provide the name of the designated officer and his/her position.					
10.3	(b) Does the designated officer review suspicious transaction reports from staff to determine if it is justified ?	<input type="checkbox"/>	<input type="checkbox"/>			
10.2	12.2 Does the supervisory management, e.g. Responsible Officers, maintain oversight of the process of reviewing suspicious transaction reports ?	<input type="checkbox"/>	<input type="checkbox"/>			
10.3	12.3 Where a decision is taken not to report the suspicious transaction to the JFIU, is such decision fully documented?	<input type="checkbox"/>	<input type="checkbox"/>			
10.4	12.4 Do you have specified procedures designed to prevent tipping-off to customers? If yes, please elaborate.	<input type="checkbox"/>	<input type="checkbox"/>			

(E) Staff Screening, Education and Training

11	#13	LC is required to establish ongoing training to ensure that staff are kept informed of new developments and AML/CFT requirements.					
11.5	13.1	Do your new staff receive any AML/CFT training (e.g. induction training)? If yes, please elaborate.	<input type="checkbox"/>	<input type="checkbox"/>			
11.6	13.2	Do your existing staff, in particular those who deal with the public directly and help customers open new accounts, and those who supervise or manage such staff, receive any in-house or external AML/CFT refresher training regularly?	<input type="checkbox"/>	<input type="checkbox"/>			
		If yes, how often?					
11.5	13.3	Does the AML/CFT training program cover the following topics? (a) Information on current money laundering and terrorist financing techniques (b) Organisation's specific AML/CFT policies and controls (c) Organisation's specific AML/CFT risk indicators and suspicious activities (d) Organisation's procedures for reporting suspicious transactions (e) Explanation of all aspects of AML laws and obligations, in particular CDD and suspicious transaction reporting requirements under Drug Trafficking (Recovery of Proceeds) Ordinance, Organised and Serious Crimes Ordinance and United Nations (Anti-Terrorism Measures) Ordinance (f) Others (please elaborate)	<input type="checkbox"/>	<input type="checkbox"/>			
	13.4	What kind of AML/CFT training do your staff receive? (a) In-house briefing sessions or seminars (b) External seminars or workshops (c) Arrange quizzes to test the staff's understanding (d) On-line/web based training (e) Others (please elaborate)	<input type="checkbox"/>	<input type="checkbox"/>			
11.1	#14	LC is required to put in place screening procedures to ensure high standards when hiring employees.					

(F) Role of Senior Management in AML/CFT Compliance Governance Issues

#15	Does your senior management consider AML/CFT to be a high priority and do they actively demonstrate their commitment to the firm's AML/CFT effort?	<input type="checkbox"/>	<input type="checkbox"/>
#16	Please briefly elaborate the responsibilities or involvement of your board of directors and/ or senior management in relation to AML/CFT.		