

Hong Kong or a requirement imposed under a law of Hong Kong.

- (5) The relevant authority may impose any conditions that it considers appropriate on a consent given by it for the purposes of subsection (2)(a) or (3)(a).
- (6) A person who contravenes subsection (2) or (3) commits an offence and is liable on conviction to a fine at level 4.
- (7) In this section—

authorized person (獲授權人) has the meaning given by section 8; ***investigator*** (調查員) has the meaning given by section 8.

76F. Recipient of information disclosed under section 76C, 76D or 76E must not disclose it onwards

- (1) If information is disclosed under section 76C (except subsection (1)(b) or (2)(b)) or section 76D (except subsection (1)(a), (f) or (i)) or section 76E, each specified recipient must not disclose the information to another person unless—
 - (a) the relevant authority consents to the disclosure;
 - (b) the information has already been made available to the public;
 - (c) the disclosure is for the purpose of seeking advice from, or giving advice by, counsel or a solicitor or other professional adviser, who is acting or proposing to act in a professional capacity in connection with any matter arising under this Ordinance;
 - (d) the disclosure by the specified recipient is in connection with any judicial or other proceedings to which the specified recipient is a party; or
 - (e) the disclosure is in accordance with an order of a court, magistrate or tribunal, or in accordance with a law of

Hong Kong or a requirement imposed under a law of Hong Kong.

- (2) The relevant authority referred to in subsection (1)(a)—
- (a) in the case of information disclosed under section 76C—
 - (i) if paragraph (a) of the definition of *specified person* in section 76A applies—is the specified person;
 - (ii) if paragraph (b) of the definition of *specified person* in section 76A applies—is the relevant authority of whom the specified person is or was a member, an employee, or a consultant, agent or adviser; or
 - (iii) is the relevant authority concerned with a provision of this Ordinance where (as the case requires)—
 - (A) the specified person is or was a person appointed under that provision of this Ordinance;
 - (B) the specified person is or was a person performing a function under, or carrying into effect, that provision of this Ordinance; or
 - (C) the specified person is or was a person assisting another person in the performance of a function under, or carrying into effect, that provision of this Ordinance;
 - (b) in the case of information disclosed under section 76D—is the relevant authority disclosing it; or
 - (c) in the case of information disclosed under section 76E—is the relevant authority—
 - (i) by whom the person imposing the requirement referred to in section 76E(1)(a) is authorized

under section 9(12) or directed or appointed under section 11; or

- (ii) by whom the notice referred to in section 76E(1)(b) is given.
- (3) A person who contravenes subsection (1) commits an offence.
- (4) Subsection (1) does not apply to a specified recipient of information disclosed under section 76E if the condition in section 76E(4)(a) is satisfied.
- (5) The relevant authority may, in giving consent under subsection (1)(a), impose any condition that the relevant authority considers appropriate.
- (6) A person who, knowing of a condition imposed under subsection (5), contravenes the condition, or aids, abets, counsels or procures any person to contravene it, commits an offence.
- (7) A person who commits an offence under subsection (3) or (6) is liable—
 - (a) on conviction on indictment to a fine of \$1,000,000 and to imprisonment for 2 years; or
 - (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.
- (8) In this section—

specified recipient (指明收取人) means—

- (a) the person to whom any information is disclosed (*first recipient*) under subsection (1); or
- (b) a person obtaining or receiving any information, directly or indirectly, from the first recipient.

76G. Other enactments on disclosure of information not affected

- (1) Sections 76A, 76B, 76C, 76D, 76E and 76F do not prejudice

the following—

- (a) sections 120 and 121 of the Banking Ordinance (Cap. 155);
 - (b) sections 53A, 53B and 121 of the Insurance Ordinance (Cap. 41);
 - (c) section 50 of the Payment Systems and Stored Value Facilities Ordinance (Cap. 584);
 - (d) section 378 of the Securities and Futures Ordinance (Cap. 571);
 - (e) any other provision in an Ordinance governing a financial regulator that relates to the sharing or disclosure of information by the financial regulator.
- (2) In this section—

financial regulator (金融監管者) means an authority or body that regulates, supervises or investigates banking, securities, insurance, activities involving virtual assets or other financial services.

Part 7

Miscellaneous Provisions

77. Regulations by Chief Executive in Council

- (1) The Chief Executive in Council may make regulations for the better carrying out of the provisions and purposes of this Ordinance (except Parts 5, 5A, 5B and 5C). *(Amended 4 of 2018 s. 23; 15 of 2022 s. 30)*
- (2) Without limiting subsection (1), the regulations may include any savings, transitional, incidental, supplemental, evidential and consequential provisions (whether involving the provisions of any principal legislation or provisions of any subsidiary legislation).

78. Standard of proof

If it is necessary for a relevant authority to establish or to be satisfied, for the purposes of any provision of this Ordinance (other than provisions relating to criminal proceedings or to an offence), that—

- (a) a person has contravened—
 - (i) any provision of any Ordinance;
 - (ii) any notice or requirement given or imposed under any Ordinance;
 - (iii) any of the conditions of any licence under this Ordinance; or
 - (iv) any other condition imposed under this Ordinance;
- (b) a person has been responsible for an unlawful act or omission;

- (c) a person has assisted, counselled, procured or induced any other person to do anything which results in the occurrence of any of the matters referred to in paragraph (a) or (b);
- (d) a person has been concerned in, or a party to, anything which results in the occurrence of any of the matters referred to in paragraph (a) or (b);
- (e) a person has attempted, or conspired with any other person, to commit anything which results in the occurrence of any of the matters referred to in paragraph (a) or (b); or
- (f) any of the matters referred to in paragraphs (a), (b), (c), (d) and (e) might occur,

it is sufficient for the relevant authority to establish, or to be satisfied as to, the matter referred to in paragraph (a), (b), (c), (d), (e) or (f), as the case requires, on the standard of proof applicable to civil proceedings in a court of law.

79. **Prosecution of offences by relevant authorities**

- (1) A relevant authority may prosecute an offence under this Ordinance, or an offence of conspiracy to commit such an offence, in its own name but if a relevant authority so prosecutes, the offence must be tried before a magistrate as an offence that is triable summarily.
- (2) For the purpose of the prosecution of an offence mentioned in subsection (1), an employee or staff member of the relevant authority who is not qualified to practise as a barrister or to act as a solicitor under the Legal Practitioners Ordinance (Cap. 159)—
 - (a) may appear and plead before a magistrate in any case of which the employee or member has charge; and

- (b) has, in relation to the prosecution, all the other rights of a person qualified to practise as a barrister or to act as a solicitor under that Ordinance.
- (3) This section does not derogate from the powers of the Secretary for Justice in respect of the prosecution of criminal offences.

80. Giving of notices by relevant authorities

- (1) A notice or other document (however described) authorized or required to be given or sent by the Commissioner to a licensee under this Ordinance is to be regarded for all purposes as duly given or sent if it is left at, or sent by post to, the premises or any of the premises specified in the licensee's licence as premises at which the licensee may operate a money service.
- (1A) Subsection (1B) applies to a notice or other document (however described) authorized or required to be given or sent under this Ordinance to a person (*intended recipient*)—
 - (a) by the Registrar; or
 - (b) by the Commissioner in connection with Part 5C.
(Replaced 15 of 2022 s. 31)
- (1B) A notice or other document referred to in subsection (1A) is given or sent to the intended recipient if—
 - (a) for an individual, it is left at, or sent by post to, the individual's last known—
 - (i) business address;
 - (ii) residential address; or
 - (iii) correspondence address;
 - (b) for a partnership, it is left at, or sent by post to, the partnership's last known—

- (i) principal place of business; or
 - (ii) business address;
- (c) for a corporation that is a company as defined by section 2(1) of the Companies Ordinance (Cap. 622), it is left at, or sent by post to, the corporation's—
- (i) registered office (within the meaning of that Ordinance); or
 - (ii) last known business address;
- (d) for any other corporation, it is left at, or sent by post to, the corporation's last known business address; or
- (e) for an intended recipient referred to in paragraph (a), (b), (c) or (d), it is sent by electronic means to the intended recipient's last known electronic mail address. *(Added 15 of 2022 s. 31)*
- (2) Section 127 of the Insurance Ordinance (Cap. 41) applies, with necessary modifications, in relation to the giving or sending of a notice or other document (however described) authorized or required to be given or sent by the Insurance Authority to a person under this Ordinance as it applies in relation to the giving or serving of a notice or other document referred to in that section. *(Amended 12 of 2015 s. 161)*
- (3) Section 134 of the Banking Ordinance (Cap. 155) applies, with necessary modifications, in relation to the giving or sending of a notice or other document (however described) authorized or required to be given or sent by the Monetary Authority to a person under this Ordinance as it applies in relation to the serving of a notice referred to in that section.
- (4) Section 400 of the Securities and Futures Ordinance (Cap. 571) applies, with necessary modifications, in relation to the giving or sending of a notice or other document (however described) authorized or required to be given or

sent by the Securities and Futures Commission to a person under this Ordinance as it applies in relation to the issuing or serving of a notice, direction or other document referred to in that section.

- (5) Despite subsection (4), section 141 of the Securities and Futures Ordinance (Cap. 571) applies, with necessary modifications, in relation to the giving or serving of a written notice or other document (however described) authorized or required to be given, or served (however described) to or on a licensed VAS person under this Ordinance as it applies in relation to the issuing or serving of a notice, decision or direction or other document referred to in that section. *(Added 15 of 2022 s. 31)*
- (6) In subsection (5)—

licensed VAS person (持牌虛擬資產服務人士) means a licensed provider or a licensed representative within the meaning of Part 5B. *(Added 15 of 2022 s. 31)*

81. Legal professional privilege

- (1) Subject to subsection (2), this Ordinance does not affect any claims, rights or entitlements that would, apart from this Ordinance, arise on the ground of legal professional privilege.
- (2) Subsection (1) does not affect any requirement made under this Ordinance to disclose the name and address of a client of a legal practitioner (whether or not the legal practitioner is qualified in Hong Kong to practise as counsel or to act as a solicitor).

82. Transitional provision with regard to money changers and remittance agents carrying on business before commencement of this Ordinance

- (1) A person whose name was entered in the register maintained

under section 24B(2) of the pre-amended Organized and Serious Crimes Ordinance as a money changer immediately before the commencement date is, on that date, deemed to have been granted a licence to operate a money service at all the premises entered in the register immediately before that date as premises at which the person carries on business as a money changer, and this Ordinance applies to the person accordingly.

- (2) A person whose name was entered in the register maintained under section 24B(2) of the pre-amended Organized and Serious Crimes Ordinance as a remittance agent immediately before the commencement date is, on that date, deemed to have been granted a licence to operate a money service at all the premises entered in the register immediately before that date as premises at which the person provides a service as a remittance agent, and this Ordinance applies to the person accordingly.
- (3) A licence deemed to have been granted under subsection (1) or (2) remains in force—
 - (a) until the expiry of the period of 60 days beginning on the commencement date; or
 - (b) if the person has applied for a licence under section 30 before the expiry of that period, until—
 - (i) the licence is granted;
 - (ii) the Commissioner's decision to refuse to grant a licence takes effect; or
 - (iii) the application is withdrawn,
- (4) In this section—

commencement date (生效日期) means the date of commencement of this Ordinance;

money changer (貨幣兌換商) has the meaning given by section 24A of the pre-amended Organized and Serious Crimes Ordinance;

pre-amended Organized and Serious Crimes Ordinance (修訂前的《有組織及嚴重罪行條例》) means the Organized and Serious Crimes Ordinance (Cap. 455) in force immediately before the commencement date;

remittance agent (匯款代理人) has the meaning given by section 24A of the pre-amended Organized and Serious Crimes Ordinance.

Part 8

(Omitted as spent—E.R. 4 of 2023)

Division 1—*(Omitted as spent—E.R. 2 of 2012)*

83. *(Omitted as spent—E.R. 2 of 2012)*

Division 2—*(Omitted as spent—E.R. 2 of 2012)*

84. *(Omitted as spent—E.R. 2 of 2012)*

Division 3—*(Omitted as spent—E.R. 2 of 2012)*

85. *(Omitted as spent—E.R. 2 of 2012)*

Division 4—*(Omitted as spent—E.R. 2 of 2012)*

86. *(Omitted as spent—E.R. 2 of 2012)*

Division 5—*(Omitted as spent—E.R. 2 of 2012)*

87. *(Omitted as spent—E.R. 2 of 2012)*

Division 6—*(Omitted as spent—E.R. 2 of 2012)*

88-91. (*Omitted as spent—E.R. 2 of 2012*)

Schedule 1

[ss. 2 & 5A]

(Replaced 4 of 2018 s. 25)

Interpretation

Part 1

1. In this Ordinance—

currency (貨幣) includes a cheque and a traveller's cheque;

designated retail payment system (指定零售支付系統) has the meaning given by section 2 of the Payment Systems and Stored Value Facilities Ordinance (Cap. 584); (*Added 18 of 2015 s. 71*)

document (文件) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571);

function (職能) includes power and duty;

money (金錢) means money in whatever form or currency;

money changing service (貨幣兌換服務) means a service for the exchanging of currencies that is operated in Hong Kong as a business, but does not include such a service that is operated by a person who manages a hotel if the service—

- (a) is operated within the premises of the hotel primarily for the convenience of guests of the hotel; and
- (b) consists solely of transactions for the purchase by that person of non-Hong Kong currencies in exchange for Hong Kong currency;

money laundering (洗錢) means an act intended to have the effect of making any property—

- (a) that is the proceeds obtained from the commission of an indictable offence under the laws of Hong Kong, or of any conduct which if it had occurred in Hong Kong would constitute an indictable offence under the laws of Hong Kong; or
- (b) that in whole or in part, directly or indirectly, represents such proceeds,

not to appear to be or so represent such proceeds;

money service (金錢服務) means—

- (a) a money changing service; or
- (b) a remittance service;

property (財產) includes—

- (a) money, goods, choses in action and land, whether in Hong Kong or elsewhere; and
- (b) obligations, easements and every description of estate, interest and profit, present or future, vested or contingent, arising out of or incident to property as defined in paragraph (a);

record (紀錄) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571);

remittance service (匯款服務) means a service of one or more of the following that is operated in Hong Kong as a business—

- (a) sending, or arranging for the sending of, money to a place outside Hong Kong;
- (b) receiving, or arranging for the receipt of, money from a place outside Hong Kong;

- (c) arranging for the receipt of money in a place outside Hong Kong;

Review Tribunal (覆核審裁處) means the Tribunal as defined by section 54;

stored value facility (儲值支付工具) has the meaning given by section 2A of the Payment Systems and Stored Value Facilities Ordinance (Cap. 584); (*Added 18 of 2015 s. 71*)

terrorist financing (恐怖分子資金籌集) means—

- (a) the provision or collection, by any means, directly or indirectly, of any property— (*Amended 20 of 2012 s. 12*)

- (i) with the intention that the property be used; or
(ii) knowing that the property will be used,

in whole or in part, to commit one or more terrorist acts (whether or not the property is actually so used); (*Amended 20 of 2012 s. 12*)

- (b) the making available of any property or financial (or related) services, by any means, directly or indirectly, to or for the benefit of a person knowing that, or being reckless as to whether, the person is a terrorist or terrorist associate; or (*Amended 20 of 2012 s. 12*)

- (c) the collection of property or solicitation of financial (or related) services, by any means, directly or indirectly, for the benefit of a person knowing that, or being reckless as to whether, the person is a terrorist or terrorist associate; (*Added 20 of 2012 s. 12. Amended 4 of 2018 s. 25*)

trust or company service (信託或公司服務) means the provision, in Hong Kong, by a person, by way of business, of one or more of the following services to other persons—

- (a) forming corporations or other legal persons;

- (b) acting, or arranging for another person to act—
 - (i) as a director or a secretary of a corporation;
 - (ii) as a partner of a partnership; or
 - (iii) in a similar position in relation to other legal persons;
- (c) providing a registered office, business address, correspondence or administrative address for a corporation, a partnership or any other legal person or legal arrangement;
- (d) acting, or arranging for another person to act—
 - (i) as a trustee of an express trust or a similar legal arrangement; or
 - (ii) as a nominee shareholder for a person other than a corporation whose securities are listed on a recognized stock market; (*Added 4 of 2018 s. 25*)

trust or company service business (信託或公司服務業務) means the business of providing a trust or company service. (*Added 4 of 2018 s. 25*)

2. In the definition of ***terrorist financing***, ***terrorist*** (恐怖分子), ***terrorist act*** (恐怖主義行為) and ***terrorist associate*** (與恐怖分子有聯繫者) have the meaning given by section 2(1) of the United Nations (Anti-Terrorism Measures) Ordinance (Cap. 575).

(*Amended 20 of 2012 s. 12*)
3. A person who only provides to financial institutions a message system or other support systems for transmitting funds is not, for the purposes of this Ordinance, to be regarded as a person operating a remittance service.

Part 2

1. In this Ordinance—

accounting professional (會計專業人士) means—

- (a) a certified public accountant as defined by section 2(1) of the Professional Accountants Ordinance (Cap. 50), or a certified public accountant (practising) as defined by section 2(1) of the Accounting and Financial Reporting Council Ordinance (Cap. 588); (*Replaced L.N. 66 of 2022*)
- (b) a corporate practice as defined by section 2(1) of the Accounting and Financial Reporting Council Ordinance (Cap. 588); or (*Amended L.N. 66 of 2022*)
- (c) a CPA firm as defined by section 2(1) of the Accounting and Financial Reporting Council Ordinance (Cap. 588); (*Replaced L.N. 66 of 2022*)

AFRC (會財局) means the Accounting and Financial Reporting Council continued under section 6 of the Accounting and Financial Reporting Council Ordinance (Cap. 588); (*Added L.N. 66 of 2022*)

authorized institution (認可機構) has the meaning given by section 2(1) of the Banking Ordinance (Cap. 155);

authorized insurer (獲授權保險人) means an insurer authorized under the Insurance Ordinance (Cap. 41); (*Amended 12 of 2015 s. 162*)

business day (營業日) means any day other than—

- (a) a public holiday; or
- (b) a gale warning day or a black rainstorm warning day as defined by section 71(2) of the Interpretation and

General Clauses Ordinance (Cap. 1); (*Added 15 of 2022 s. 32*)

Category B PMS registrant (貴金屬及寶石B類註冊人) means—

- (a) a Category B registrant within the meaning of Part 5C; or
- (b) a deemed registrant as defined by section 53ZW(8); (*Added 15 of 2022 s. 32*)

Commissioner (關長) means the Commissioner of Customs and Excise, any Deputy Commissioner of Customs and Excise, any Assistant Commissioner of Customs and Excise or a person to whom the Commissioner of Customs and Excise has delegated any of his or her functions under section 26;

corporation (法團) means a company as defined by section 2(1) of the Companies Ordinance (Cap. 622) or other body corporate incorporated either in Hong Kong or elsewhere; (*Added 15 of 2022 s. 32*)

customer (客戶)—

- (a) includes a client; and
- (b) in relation to a Category B PMS registrant, includes a person who is a party to any transaction carried out by the registrant while the registrant carries on a precious metals and stones business, whether the person makes or receives any payment to or from the registrant; (*Added 15 of 2022 s. 32*)

director (董事), in relation to—

- (a) a corporation that is a company as defined by section 2(1) of the Companies Ordinance (Cap. 622)—means a director as defined by that section; and
- (b) any other corporation—means a person (by whatever name called) who occupies in the corporation a position

similar to that of a director referred to in paragraph (a);
(Added 4 of 2018 s. 25)

DNFBP (指定非金融業人士) means—

- (a) an accounting professional;
- (b) an estate agent;
- (c) a legal professional; *(Amended 15 of 2022 s. 32)*
- (d) a TCSP licensee; or *(Amended 15 of 2022 s. 32)*
- (e) a Category B PMS registrant; *(Added 15 of 2022 s. 32)*

Note—

DNFBP is an acronym for persons in the category described as designated non-financial businesses and professions in the Financial Action Task Force's Recommendations. *(Added 4 of 2018 s. 25)*

estate agent (地產代理) means—

- (a) a licensed estate agent as defined by section 2(1) of the Estate Agents Ordinance (Cap. 511); or
- (b) a licensed salesperson as defined by section 2(1) of the Estate Agents Ordinance (Cap. 511); *(Added 4 of 2018 s. 25)*

Estate Agents Authority (地產代理監管局) means the body established by section 4 of the Estate Agents Ordinance (Cap. 511); *(Added 4 of 2018 s. 25)*

financial institution (金融機構) means—

- (a) an authorized institution;
- (b) a licensed corporation;
- (c) an authorized insurer;
- (d) a licensed individual insurance agent; *(Replaced 12 of 2015 s. 162)*
- (e) a licensed insurance agency; *(Replaced 12 of 2015 s. 162)*

- (ea) a licensed insurance broker company; (*Added 12 of 2015 s. 162*)
- (f) a licensed money service operator; (*Amended 18 of 2015 s. 71*)
- (g) the Postmaster General; (*Amended 18 of 2015 s. 71; 15 of 2022 s. 32*)
- (h) an SVF licensee; (*Added 18 of 2015 s. 71. Amended 15 of 2022 s. 32; 17 of 2025 s. 176*)
- (i) subject to section 20A, a licensed VAS provider; or (*Added 15 of 2022 s. 32. Amended 17 of 2025 s. 176*)
- (j) a stablecoin licensee; (*Added 17 of 2025 s. 176*)

HKICPA (香港會計師公會) means the body known as the Hong Kong Institute of Certified Public Accountants incorporated by section 3 of the Professional Accountants Ordinance (Cap. 50); (*Added 4 of 2018 s. 25*)

information system (資訊系統) has the meaning given by section 2(1) of the Electronic Transactions Ordinance (Cap. 553); (*Added 15 of 2022 s. 32*)

licensed VAS provider (持牌虛擬資產服務提供者) means a licensed provider within the meaning of Part 5B; (*Added 15 of 2022 s. 32*)

Insurance Authority (保監局) means the Insurance Authority established under section 4AAA of the Insurance Ordinance (Cap. 41); (*Replaced 12 of 2015 s. 162*)

Law Society (律師會) means The Law Society of Hong Kong; (*Added 4 of 2018 s. 25*)

legal professional (法律專業人士) means—

- (a) a solicitor as defined by section 2(1) of the Legal Practitioners Ordinance (Cap. 159); or

- (b) a foreign lawyer as defined by section 2(1) of the Legal Practitioners Ordinance (Cap. 159); (*Added 4 of 2018 s. 25*)

licensed corporation (持牌法團) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571);

licensed individual insurance agent (持牌個人保險代理) has the meaning given by section 2(1) of the Insurance Ordinance (Cap. 41); (*Added 12 of 2015 s. 162*)

licensed insurance agency (持牌保險代理機構) has the meaning given by section 2(1) of the Insurance Ordinance (Cap. 41); (*Added 12 of 2015 s. 162*)

licensed insurance broker company (持牌保險經紀公司) has the meaning given by section 2(1) of the Insurance Ordinance (Cap. 41); (*Added 12 of 2015 s. 162*)

licensed money service operator (持牌金錢服務經營者) means the holder of a licence as defined by section 24;

Monetary Authority (金融管理專員) means the Monetary Authority appointed under section 5A of the Exchange Fund Ordinance (Cap. 66);

PMS registrant (貴金屬及寶石註冊人) means—

- (a) a Category A registrant or a Category B registrant within the meaning of Part 5C; or
- (b) a deemed registrant as defined by section 53ZW(8); (*Added 15 of 2022 s. 32*)

Postmaster General (郵政署署長) means the Postmaster General of Hong Kong, and includes the deputy postmaster general and every assistant postmaster general;

recognized stock market (認可證券市場) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571); (*Added 4 of 2018 s. 25*)

re-domiciled company (經遷冊公司) has the meaning given by section 2(1) of the Companies Ordinance (Cap. 622); (*Added 14 of 2025 s. 272*)

re-domiciled entity (經遷冊實體) means a re-domiciled company that is deregistered as required by section 820E(3)(a) of the Companies Ordinance (Cap. 622); (*Added 14 of 2025 s. 272*)

registered non-Hong Kong company (註冊非香港公司) has the meaning given by section 2(1) of the Companies Ordinance (Cap. 622); (*Added 14 of 2025 s. 272*)

Registrar (處長) means—

- (a) the Registrar of Companies; or
- (b) a person to whom the Registrar of Companies has, under section 53C(1), delegated his or her functions; (*Added 4 of 2018 s. 25*)

Registrar of Companies (公司註冊處處長) means the person appointed as the Registrar of Companies under section 21(1) of the Companies Ordinance (Cap. 622); (*Added 4 of 2018 s. 25*)

regulatory body (監管機構), in relation to—

- (a) an accounting professional—means— (*Amended L.N. 66 of 2022*)
 - (i) (subject to subparagraphs (ii) and (iii)) the AFRC;
 - (ii) (for the purposes of section 4) the AFRC or the HKICPA; or
 - (iii) (for the purposes of section 7(1), (2) and (3)) the HKICPA as overseen by the AFRC under section 9(b) of the Accounting and Financial Reporting Council Ordinance (Cap. 588); (*Amended L.N. 66 of 2022*)
- (b) an estate agent—means the Estate Agents Authority; and

- (c) a legal professional—means the Law Society; (*Added 4 of 2018 s. 25*)

relevant authority (有關當局)—

- (a) in relation to an authorized institution, SVF licensee or stablecoin licensee, means the Monetary Authority; (*Amended 18 of 2015 s. 71; 17 of 2025 s. 176*)
- (b) in relation to a licensed corporation, means the Securities and Futures Commission;
- (c) in relation to an authorized insurer, licensed individual insurance agent, licensed insurance agency or licensed insurance broker company, means the Insurance Authority; (*Replaced 12 of 2015 s. 162. Amended E.R. 4 of 2023*)
- (d) in relation to a licensed money service operator or to the Postmaster General, means the Commissioner; (*Amended 4 of 2018 s. 25; 15 of 2022 s. 32*)
- (e) in relation to a TCSP licensee, means the Registrar; (*Added 4 of 2018 s. 25*)
- (f) in relation to a licensed VAS provider or an associated entity of a licensed VAS provider, means the Securities and Futures Commission; and (*Added 15 of 2022 s. 32*)
- (g) in relation to a PMS registrant, means the Commissioner; (*Added 15 of 2022 s. 32*)

secretary (秘書), in relation to—

- (a) a corporation that is a company as defined by section 2(1) of the Companies Ordinance (Cap. 622)—means a company secretary as defined by that section; and
- (b) any other corporation—means a person (by whatever name called) who occupies in the corporation a position similar to that of a company secretary referred to in paragraph (a); (*Added 4 of 2018 s. 25*)

Securities and Futures Commission, Commission (證監會) means the Securities and Futures Commission referred to in section 3(1) of the Securities and Futures Ordinance (Cap. 571); (*Amended 18 of 2015 s. 71; 15 of 2022 s. 32*)

settlement institution (交收機構) has the meaning given by section 2 of the Payment Systems and Stored Value Facilities Ordinance (Cap. 584); (*Added 18 of 2015 s. 71*)

stablecoin licence (穩定幣牌照) means a licence as defined by section 2(1) of the Stablecoins Ordinance (17 of 2025); (*Added 17 of 2025 s. 176*)

stablecoin licensee (穩定幣持牌人) means a licensee as defined by section 2(1) of the Stablecoins Ordinance (17 of 2025); (*Added 17 of 2025 s. 176*)

SVF licensee (工具持牌人) means a person who is granted a licence under section 8F of the Payment Systems and Stored Value Facilities Ordinance (Cap. 584); (*Added 18 of 2015 s. 71*)

system operator (系統營運者) has the meaning given by section 2 of the Payment Systems and Stored Value Facilities Ordinance (Cap. 584); (*Added 18 of 2015 s. 71. Amended 4 of 2018 s. 25*)

TCSP licensee (信託或公司服務持牌人) means—

- (a) a person who holds a licence granted under section 53G or renewed under section 53K; or
- (b) a deemed licensee as defined by section 53ZQ(5); (*Added 4 of 2018 s. 25. Amended 15 of 2022 s. 32*)

virtual asset (虛擬資產)—see section 53ZRA. (*Added 15 of 2022 s. 32*)

(Amended 12 of 2015 s. 162)

Schedule 2

[ss. 5, 5A, 6, 7, 53Z &
53ZVF]

(*Replaced 4 of 2018 s. 26. Amended 15 of 2022 s. 33*)

Requirements Relating to Customer Due Diligence and Record-keeping

Part 1

Interpretation

1. Interpretation

(1) In this Schedule—

beneficial owner (實益擁有人)—

(a) in relation to a corporation—

(i) means an individual who—

(A) owns or controls, directly or indirectly, including through a trust or bearer share holding, more than 25% of the issued share capital of the corporation;

(B) is, directly or indirectly, entitled to exercise or control the exercise of more than 25% of the voting rights at general meetings of the corporation; or

(C) exercises ultimate control over the management of the corporation; or

(ii) if the corporation is acting on behalf of another person, means the other person;

- (b) in relation to a partnership—
 - (i) means an individual who—
 - (A) is entitled to or controls, directly or indirectly, more than a 25% share of the capital or profits of the partnership;
 - (B) is, directly or indirectly, entitled to exercise or control the exercise of more than 25% of the voting rights in the partnership; or
 - (C) exercises ultimate control over the management of the partnership; or
 - (ii) if the partnership is acting on behalf of another person, means the other person;
- (c) in relation to a trust, means—
 - (i) a beneficiary or a class of beneficiaries of the trust entitled to a vested interest in the trust property, whether the interest is in possession or in remainder or reversion and whether it is defeasible or not; (*Amended 15 of 2022 s. 33*)
 - (ii) the settlor of the trust;
 - (iia) the trustee of the trust; (*Added 15 of 2022 s. 33*)
 - (iii) a protector or enforcer of the trust; or
 - (iv) an individual who has ultimate control over the trust; and
- (d) in relation to a person not falling within paragraph (a), (b) or (c)—
 - (i) means an individual who ultimately owns or controls the person; or
 - (ii) if the person is acting on behalf of another person, means the other person; (*Amended 4 of 2018 s. 26*)

business relationship (業務關係), as between a person and a financial institution or a DNFBP, means a business, professional or commercial relationship— (*Amended 4 of 2018 s. 26*)

- (a) that has an element of duration; or
- (b) that the financial institution or the DNFBP, at the time the person first contacts the financial institution or the DNFBP in the person's capacity as a potential customer of the financial institution or the DNFBP, expects to have an element of duration; (*Amended 4 of 2018 s. 26*)

correspondent banking (代理銀行服務) means the provision of banking services by an authorized institution to another institution to enable the latter to provide services and products to its own customers;

customer due diligence measures (客戶盡職審查措施) means the measures set out in section 2(1) of this Schedule;

equivalent jurisdiction (對等司法管轄區) means—

- (a) a jurisdiction that is a member of the Financial Action Task Force, other than Hong Kong; or
- (b) a jurisdiction that imposes requirements similar to those imposed under this Schedule;

Financial Action Task Force (財務行動特別組織) means the Financial Action Task Force on Money Laundering established by the G-7 Summit held in Paris in 1989; (*Replaced 4 of 2018 s. 26*)

former politically exposed person (前政治人物) means—

- (a) an individual who, being a politically exposed person, has been but is not currently entrusted with a prominent public function in a place outside Hong Kong;

- (b) a spouse, a partner, a child or a parent of an individual falling within paragraph (a), or a spouse or a partner of a child of such an individual; or
- (c) a close associate of an individual falling within paragraph (a); *(Added 15 of 2022 s. 33)*

identification document (識別文件)—

- (a) in relation to an individual, means his or her identity card, certificate of identity, document of identity or travel document, as defined by section 2(1) of the Immigration Ordinance (Cap. 115);
- (b) in relation to a company as defined by section 2(1) of the Companies Ordinance (Cap. 622), means—*(Amended 14 of 2025 s. 273)*
 - (i) the certificate of incorporation issued in respect of the company under the Ordinance under which the company was formed and registered; or
 - (ii) the certificate of re-domiciliation issued in respect of the company under section 820C(5)(c) of the Companies Ordinance (Cap. 622); *(Amended 14 of 2025 s. 273)*
- (c) in relation to a registered non-Hong Kong company, means the certificate of registration issued in respect of the company under the Ordinance under which the company was registered as a registered non-Hong Kong company; *(Replaced 28 of 2012 ss. 912 & 920. Amended 14 of 2025 s. 273)*
- (d) in relation to a corporation that is incorporated in a place outside Hong Kong and that is neither a re-domiciled company nor a company falling within paragraph (c), means its certificate of incorporation or registration, or any other document evidencing its incorporation, issued by an authority in that place that performs functions

similar to those of the Registrar of Companies; (*Amended 14 of 2025 s. 273*)

- (e) in relation to a partnership that carries on business in Hong Kong, means its business registration certificate issued under section 6 of the Business Registration Ordinance (Cap. 310); and
- (f) in relation to a partnership that does not carry on business in Hong Kong, means its partnership agreement or any document evidencing its formation or registration issued by a governmental body;

legal person (法人) includes any public body and any body of persons, corporate or unincorporate;

occasional transaction (非經常交易) means a transaction between a financial institution or a DNFBP and a customer who does not have a business relationship with the financial institution or the DNFBP; (*Amended 4 of 2018 s. 26*)

politically exposed person (政治人物) means—

- (a) an individual who is or has been entrusted with a prominent public function in a place outside Hong Kong and— (*Amended 15 of 2022 s. 33*)
 - (i) includes a head of state, head of government, senior politician, senior government, judicial or military official, senior executive of a state-owned corporation and an important political party official; but
 - (ii) does not include a middle-ranking or more junior official of any of the categories mentioned in subparagraph (i);
- (b) a spouse, a partner, a child or a parent of an individual falling within paragraph (a), or a spouse or a partner of a child of such an individual; or

- (c) a close associate of an individual falling within paragraph (a);

pre-existing customer (先前客戶)—

- (a) in relation to a financial institution other than a licensed VAS provider—means a customer with whom the financial institution has established a business relationship before 1 April 2012;
- (b) in relation to a licensed VAS provider—means a customer with whom the licensed VAS provider has established a business relationship before 1 June 2023;
- (c) in relation to a DNFBP other than a Category B PMS registrant—means a customer with whom the DNFBP has established a business relationship before 1 March 2018; or
- (d) in relation to a Category B PMS registrant—means a customer with whom the registrant has established a business relationship before 1 April 2023; (*Replaced 15 of 2022 s. 33*)

public body (公共機構) includes—

- (a) any executive, legislative, municipal or urban council;
- (b) any Government department or undertaking;
- (c) any local or public authority or undertaking;
- (d) any board, commission, committee or other body, whether paid or unpaid, appointed by the Chief Executive or the Government; and
- (e) any board, commission, committee or other body that has power to act in a public capacity under or for the purposes of any enactment; (*Amended 15 of 2022 s. 33*)

recognized digital identification system (認可數碼識別系統)
means—

- (a) in relation to a financial institution or a DNFBP who is a TCSP licensee or a Category B PMS registrant, a digital identification system that is a reliable and independent source that is recognized by the relevant authority; or
- (b) in relation to a DNFBP who is an accounting professional, an estate agent or a legal professional, a digital identification system that is a reliable and independent source that is recognized by the relevant regulatory body; *(Added 15 of 2022 s. 33)*

virtual asset transfer (虛擬資產轉賬)—see section 13A(1) of this Schedule. *(Added 15 of 2022 s. 33)*

(Amended 15 of 2022 s. 33)

- (2) For the purposes of paragraph (b) of the definition of ***politically exposed person*** in subsection (1), a person is a partner of an individual if the person is considered by the law of the place where the person and the individual live together as equivalent to a spouse of the individual.
- (3) For the purposes of paragraph (c) of the definition of ***politically exposed person*** in subsection (1), a person is a close associate of an individual if the person is—
 - (a) an individual who has close business relations with the first-mentioned individual, including an individual who is a beneficial owner of a legal person or trust of which the first-mentioned individual is also a beneficial owner; or
 - (b) an individual who is the beneficial owner of a legal person or trust that is set up for the benefit of the first-mentioned individual.
- (4) For the purposes of this Schedule, a wire transfer is a transaction carried out by an institution (referred to in this Schedule as ***ordering institution***) on behalf of a person by electronic means with a view to making an amount of money

available to that person or another person (referred to in this Schedule as *recipient*) at an institution (referred to in this Schedule as *beneficiary institution*), which may be the ordering institution or another institution, whether or not one or more other institutions (referred to in this Schedule as *intermediary institutions*) participate in completion of the transfer of the money.

Part 2

Customer Due Diligence Requirements

Division 1—General

2. What are customer due diligence measures

- (1) The following measures are customer due diligence measures applicable to a financial institution or a DNFBP— (*Amended 4 of 2018 s. 26*)
 - (a) for a financial institution, or a DNFBP who is a TCSP licensee or a Category B PMS registrant, identifying the customer and verifying the customer’s identity on the basis of documents, data or information provided by— (*Amended 4 of 2018 s. 26; 15 of 2022 s. 33*)
 - (i) a governmental body;
 - (ii) the relevant authority or any other relevant authority;
 - (iii) an authority in a place outside Hong Kong that performs functions similar to those of the relevant authority or any other relevant authority; (*Amended 15 of 2022 s. 33*)
 - (iiia) a recognized digital identification system; or (*Added 15 of 2022 s. 33*)

- (iv) any other reliable and independent source that is recognized by the relevant authority;
- (ab) for a DNFBP who is an accounting professional, an estate agent or a legal professional, identifying the customer and verifying the customer's identity on the basis of documents, data or information provided by—
 - (i) a governmental body;
 - (ii) the relevant regulatory body;
 - (iii) an authority in a place outside Hong Kong that performs functions similar to those of the relevant regulatory body; *(Amended 15 of 2022 s. 33)*
 - (iiia) a recognized digital identification system; or *(Added 15 of 2022 s. 33)*
 - (iv) any other reliable and independent source that is recognized by the relevant regulatory body; *(Added 4 of 2018 s. 26)*
- (b) if there is a beneficial owner in relation to the customer, identifying the beneficial owner and taking reasonable measures to verify the beneficial owner's identity so that the financial institution or the DNFBP is satisfied that the financial institution or the DNFBP knows who the beneficial owner is, including, where the customer is a legal person or trust, measures to enable the financial institution or the DNFBP to understand the ownership and control structure of the legal person or trust;
- (c) if a business relationship is to be established, obtaining information on the purpose and intended nature of the business relationship with the financial institution or the DNFBP, unless the purpose and intended nature are obvious; and
- (d) if a person purports to act on behalf of the customer—

- (i) for a financial institution, or a DNFBP who is a TCSP licensee or a Category B PMS registrant, identifying the person and taking reasonable measures to verify the person's identity on the basis of documents, data or information provided by— *(Amended 4 of 2018 s. 26; 15 of 2022 s. 33)*
- (A) a governmental body;
 - (B) the relevant authority or any other relevant authority;
 - (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
 - (D) any other reliable and independent source that is recognized by the relevant authority;
- (ia) for a DNFBP who is an accounting professional, an estate agent or a legal professional, identifying the person and taking reasonable measures to verify the person's identity on the basis of documents, data or information provided by—
- (A) a governmental body;
 - (B) the relevant regulatory body;
 - (C) an authority in a place outside Hong Kong that performs functions similar to those of the relevant regulatory body; or
 - (D) any other reliable and independent source that is recognized by the relevant regulatory body; and *(Added 4 of 2018 s. 26)*
- (ii) verifying the person's authority to act on behalf of the customer. *(Amended 4 of 2018 s. 26)*
- (2) *(Repealed 4 of 2018 s. 26)*

3. When customer due diligence measures must be carried out

- (1) Subject to section 4 of this Schedule, a financial institution or a DNFBP must carry out customer due diligence measures in relation to a customer in the following circumstances—*(Amended 4 of 2018 s. 26)*
- (a) subject to subsection (2), before establishing a business relationship with the customer;
 - (b) before carrying out for the customer an occasional transaction involving an amount equal to or above \$120,000 or an equivalent amount in any other currency, whether the transaction is carried out in a single operation or in several operations that appear to the financial institution or the DNFBP to be linked;
 - (c) *(Repealed 15 of 2022 s. 33)*
 - (d) when the financial institution or the DNFBP suspects that the customer or the customer’s account is involved in money laundering or terrorist financing;
 - (e) when the financial institution or the DNFBP 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.
- (1A) Subject to section 4 of this Schedule and despite subsection (1)(b), a financial institution must carry out customer due diligence measures in relation to a customer before carrying out for the customer an occasional transaction that is—
- (a) a wire transfer involving an amount equal to or above \$8,000 or an equivalent amount in any other currency; or
 - (b) a virtual asset transfer involving virtual assets that amount to no less than \$8,000,

whether the transaction is carried out in a single operation or in several operations that appear to the financial institution to be linked. (*Added 15 of 2022 s. 33*)

- (1B) Subject to section 4 of this Schedule and despite subsection (1)(b), a licensed VAS provider must carry out customer due diligence measures in relation to a customer before carrying out for the customer an occasional transaction that—
- (a) involves an amount equal to or above \$8,000 or an equivalent amount in any other currency; and
 - (b) is not a wire transfer or a virtual asset transfer,
- whether the transaction is carried out in a single operation or in several operations that appear to the licensed VAS provider to be linked. (*Added 15 of 2022 s. 33*)
- (2) Despite subsection (1)(a), a financial institution or a DNFBP may verify the identity of a customer and any beneficial owner of the customer after establishing a business relationship with the customer if— (*Amended 4 of 2018 s. 26*)
- (a) this is necessary not to interrupt the normal conduct of business with regard to the customer; and
 - (b) any risk of money laundering or terrorist financing that may be caused by carrying out the verification after establishing the business relationship is effectively managed.
- (3) A financial institution or a DNFBP that carries out verification after establishing a business relationship with a customer under subsection (2) must complete the verification as soon as reasonably practicable after establishing the business relationship.
- (4) If a financial institution or a DNFBP is unable to comply with subsection (1), (1A), (1B) or (3), the financial institution or the DNFBP— (*Amended 4 of 2018 s. 26; 15 of 2022 s. 33*)

- (a) must not establish a business relationship or carry out any occasional transaction with that customer; or
- (b) if the financial institution or the DNFBP has already established a business relationship with that customer, must terminate the business relationship as soon as reasonably practicable.

(Amended 4 of 2018 s. 26)

4. Simplified customer due diligence

- (1) In any of the circumstances set out in section 3(1)(a) and (b), (1A) and (1B) of this Schedule, a financial institution or a DNFBP may, instead of carrying out all the customer due diligence measures, carry out only the measures set out in section 2(1)(a), (ab), (c) and (d) of this Schedule in relation to a customer if the financial institution or the DNFBP has reasonable grounds to believe that the customer falls within subsection (3). *(Amended 4 of 2018 s. 26; 15 of 2022 s. 33)*
- (2) If a customer of a financial institution or a DNFBP not falling within subsection (3) has in the customer's beneficial ownership chain an entity that falls within that subsection, the financial institution or the DNFBP is not required, when carrying out the measure set out in section 2(1)(b) of this Schedule in respect of the beneficial owners in that chain in any of the circumstances set out in section 3(1)(a) and (b), (1A) and (1B) of this Schedule, to identify, or verify the identities of, the beneficial owners of that entity or of any person in that chain beyond that entity. *(Amended 4 of 2018 s. 26; 15 of 2022 s. 33)*
- (3) The customer is—
 - (a) a financial institution;
 - (b) an institution that—

- (i) is incorporated or established in an equivalent jurisdiction;
 - (ii) carries on a business similar to that carried on by a financial institution;
 - (iii) has measures in place to ensure compliance with requirements similar to those imposed under this Schedule; and
 - (iv) is supervised for compliance with those requirements by an authority in that jurisdiction that performs functions similar to those of any of the relevant authorities;
- (c) a corporation listed on any stock exchange;
 - (d) an investment vehicle where the person responsible for carrying out measures that are similar to the customer due diligence measures in relation to all the investors of the investment vehicle is—
 - (i) a financial institution;
 - (ii) an institution that—
 - (A) is incorporated or established in Hong Kong;
 - (B) has measures in place to ensure compliance with requirements similar to those imposed under this Schedule; and
 - (C) is supervised for compliance with those requirements; or
 - (iii) an institution that—
 - (A) is incorporated or established in an equivalent jurisdiction;
 - (B) has measures in place to ensure compliance with requirements similar to those imposed under this Schedule; and

- (C) is supervised for compliance with those requirements;
- (e) the Government or any public body in Hong Kong; or
- (f) the government of an equivalent jurisdiction or a body in an equivalent jurisdiction that performs functions similar to those of a public body.
- (4) In any of the circumstances set out in section 3(1)(a) and (b), (1A) and (1B) of this Schedule, a financial institution or a DNFBP may, instead of carrying out all the customer due diligence measures, carry out only the measures set out in section 2(1)(a), (ab), (c) and (d) of this Schedule in relation to a customer if the financial institution or the DNFBP has reasonable grounds to believe that the product related to the transaction falls within subsection (5). *(Amended 4 of 2018 s. 26; 15 of 2022 s. 33)*
- (5) The product is—
- (a) a provident, pension, retirement or superannuation scheme (however described) that provides retirement benefits to employees, where contributions to the scheme are made by way of deduction from income from employment and the scheme rules do not permit the assignment of a member's interest under the scheme;
- (b) an insurance policy for the purposes of a provident, pension, retirement or superannuation scheme (however described) that does not contain a surrender clause and cannot be used as a collateral; or
- (c) a life insurance policy in respect of which—
- (i) an annual premium of no more than \$8,000 or an equivalent amount in any other currency is payable; or

- (ii) a single premium of no more than \$20,000 or an equivalent amount in any other currency is payable.
- (6) If a customer of a financial institution is a solicitor or a firm of solicitors, the financial institution is not required, in any of the circumstances set out in section 3(1)(a) and (b), (1A) and (1B) of this Schedule, to carry out the measure set out in section 2(1)(b) of this Schedule in relation to an account—*(Amended 15 of 2022 s. 33)*
- (a) that is kept in the name of the customer;
 - (b) in which moneys or securities of the customer’s clients are mingled; and
 - (c) that is managed by the customer as those clients’ agent.
- (7) In this section—
- securities** (證券) has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571).

5. Duty to continuously monitor business relationships

- (1) A financial institution or a DNFBP must continuously monitor the business relationship with a customer by—*(Amended 4 of 2018 s. 26)*
- (a) reviewing from time to time documents, data and information relating to the customer that have been obtained by the financial institution or the DNFBP for the purpose of complying with the requirements imposed under this Part to ensure that they are up-to-date and relevant;
 - (b) conducting appropriate scrutiny of transactions carried out for the customer to ensure that they are consistent with the financial institution’s or the DNFBP’s

knowledge of the customer and the customer's business and risk profile, and with the financial institution's or the DNFBP's knowledge of the source of the customer's funds; and

- (c) identifying transactions that—
 - (i) are complex, unusually large in amount or of an unusual pattern; and
 - (ii) have no apparent economic or lawful purpose, and examining the background and purposes of those transactions and setting out the findings in writing.

- (2) When a financial institution or a DNFBP carries out the duty under subsection (1)(a) in relation to a pre-existing customer before the financial institution or the DNFBP first carries out the customer due diligence measures in relation to the customer in accordance with the requirements under this Part, the financial institution or the DNFBP is only required to review the documents, data and information relating to the customer that are held by the financial institution or the DNFBP at the time the financial institution or the DNFBP conducts the review.

- (3) If—
 - (a) a customer of a financial institution or a DNFBP has not been physically present for identification purposes;
 - (b) a customer, or a beneficial owner of a customer, of a financial institution or a DNFBP is known to the financial institution or the DNFBP, from publicly known information or information in the financial institution's or the DNFBP's possession, to be a politically exposed person; or

- (c) a customer, or a beneficial owner of a customer, of a financial institution or a DNFBP is involved in a situation referred to in section 15 of this Schedule, the financial institution or the DNFBP must, in monitoring the business relationship with the customer under this section, take additional measures to compensate for any risk of money laundering or terrorist financing that may be caused by the fact that the customer or beneficial owner is a customer or beneficial owner falling within paragraph (a), (b) or (c).
- (4) Subsection (3)(a) does not apply in relation to a customer of a financial institution or a DNFBP if the financial institution or the DNFBP has carried out the measure referred to in section 2(1)(a) or (ab) of this Schedule in relation to the customer on the basis of data or information provided by a recognized digital identification system. *(Added 15 of 2022 s. 33)*
- (5) Subsection (3)(b) does not apply in relation to a customer, or a beneficial owner of a customer, of a financial institution or a DNFBP if the financial institution or the DNFBP is satisfied that—
- (a) the customer or the beneficial owner of the customer is a former politically exposed person; and
 - (b) the former politically exposed person does not present a high risk of money laundering or terrorist financing based on an appropriate risk assessment. *(Added 15 of 2022 s. 33)*

(Amended 4 of 2018 s. 26)

6. Provisions relating to pre-existing customers

- (1) In relation to a pre-existing customer who is not a customer to whom section 7 of this Schedule applies, a financial institution or a DNFBP must, in addition to the situations specified in section 3(1)(d) and (e) of this Schedule, carry out

the customer due diligence measures when— *(Amended 4 of 2018 s. 26)*

- (a) a transaction takes place with regard to the customer that—
 - (i) is, by virtue of the amount or nature of the transaction, unusual or suspicious; or
 - (ii) is not consistent with the financial institution’s or the DNFBP’s knowledge of the customer or the customer’s business or risk profile, or with the financial institution’s or the DNFBP’s knowledge of the source of the customer’s funds; or
 - (b) a material change occurs in the way in which the customer’s account is operated.
- (2) If a financial institution or a DNFBP is unable to comply with subsection (1), the financial institution or the DNFBP must terminate the business relationship with the customer as soon as reasonably practicable.

(Amended 4 of 2018 s. 26)

7. Provisions relating to pre-existing respondent banks

- (1) This section applies to a customer (referred to in this section as **respondent bank**) of an authorized institution—
 - (a) that is an institution located in a place outside Hong Kong carrying on a business similar to that carried on by an authorized institution; and
 - (b) with which the first-mentioned authorized institution has established a correspondent banking relationship before the date of commencement of this Ordinance.
- (2) An authorized institution must terminate its correspondent banking relationship with a respondent bank on the date of commencement of this Ordinance unless—

- (a) it had carried out the measures set out in section 14(1) of this Schedule in relation to the respondent bank at some time before that date and was at that time satisfied that the anti-money laundering and anti-terrorist financing controls of the respondent bank were adequate and effective;
- (b) it had documented its responsibilities and the responsibilities of the respondent bank before that date; and
- (c) it was satisfied at some time before that date that, in respect of those of the respondent bank’s customers who could directly operate the accounts it maintained for the respondent bank, the respondent bank—
 - (i) had verified the identities of those customers, and would continuously monitor its business relationships with those customers, in accordance with requirements similar to those imposed under this Schedule; and
 - (ii) was able to provide to it, on request, the documents, data or information obtained by the respondent bank in relation to those customers in accordance with requirements similar to those imposed under this Schedule.

Division 2—Special Requirements

8. Requirements in this Division are additional to those in sections 3 and 5 of this Schedule

In addition to complying with the requirements under sections 3 and 5 of this Schedule, a financial institution or a DNFBP must also comply with the requirements under this Division.

9. Special requirements when customer is not physically present for identification purposes

- (1) If a customer has not been physically present for identification purposes, a financial institution or a DNFBP must carry out at least one of the following measures— (*Amended 4 of 2018 s. 26; 15 of 2022 s. 33*)
- (a) further verifying the customer’s identity on the basis of documents, data or information referred to in section 2(1)(a) or (ab) of this Schedule but not previously used for the purposes of verification of the customer’s identity under that section;
 - (b) taking supplementary measures to verify information relating to the customer that has been obtained by the financial institution or the DNFBP;
 - (c) ensuring that the payment or, if there is more than one payment, the first payment made in relation to the customer’s account is carried out through an account opened in the customer’s name with—
 - (i) an authorized institution; or
 - (ii) an institution that—
 - (A) is incorporated or established in an equivalent jurisdiction;
 - (B) carries on a business similar to that carried on by an authorized institution;
 - (C) has measures in place to ensure compliance with requirements similar to those imposed under this Schedule; and
 - (D) is supervised for compliance with those requirements by authorities in that jurisdiction

that perform functions similar to those of the Monetary Authority.

- (2) Subsection (1) does not apply in relation to a customer of a financial institution or a DNFBP if the financial institution or the DNFBP has carried out the measure referred to in section 2(1)(a) or (ab) of this Schedule in relation to the customer on the basis of data or information provided by a recognized digital identification system. *(Added 15 of 2022 s. 33)*

(Amended 4 of 2018 s. 26)

10. Special requirements when customer is politically exposed person

- (1) If a financial institution or a DNFBP knows, from publicly known information or information in the financial institution's or the DNFBP's possession, that a customer or a beneficial owner of a customer is a politically exposed person, the financial institution or the DNFBP must, before establishing a business relationship with the customer— *(Amended 4 of 2018 s. 26)*
- (a) obtain approval from the senior management; and
- (b) take reasonable measures to establish the customer's or beneficial owner's source of wealth and the source of the funds that will be involved in the proposed business relationship.
- (2) If a financial institution or a DNFBP comes to know, from publicly known information or information in the financial institution's or the DNFBP's possession, that an existing customer or a beneficial owner of an existing customer is a politically exposed person or has become a politically exposed person, the financial institution or the DNFBP must not continue its business relationship with the customer unless

the financial institution or the DNFBP— *(Amended 4 of 2018 s. 26)*

- (a) has obtained approval from the senior management; and
 - (b) has taken reasonable measures to establish the customer's or beneficial owner's source of wealth and the source of the funds that are involved in the business relationship.
- (3) Subsections (1) and (2) do not apply in relation to a customer or a beneficial owner of a customer of a financial institution or a DNFBP if the financial institution or the DNFBP is satisfied that—
- (a) the customer or the beneficial owner of the customer is a former politically exposed person; and
 - (b) the former politically exposed person does not present a high risk of money laundering or terrorist financing based on an appropriate risk assessment. *(Added 15 of 2022 s. 33)*

(Amended 4 of 2018 s. 26)

11. Special requirements for insurance policies

- (1) A financial institution must, whenever a beneficiary or a new beneficiary is identified or designated by the policy holder of an insurance policy—
- (a) if the beneficiary is identified by name, record the name of the beneficiary;
 - (b) if the beneficiary is designated by description or other means, obtain sufficient information about the beneficiary to satisfy itself that it will be able to establish the identity of the beneficiary—
 - (i) at the time the beneficiary exercises a right vested in the beneficiary under the insurance policy; or

- (ii) at the time of payout or, if there is more than one payout, the time of the first payout to the beneficiary in accordance with the terms of the insurance policy,
whichever is the earlier.
- (2) A financial institution must carry out the measures specified in subsection (3)—
- at the time a beneficiary exercises a right vested in the beneficiary under an insurance policy; or
 - at the time of payout or, if there is more than one payout, the time of the first payout to a beneficiary in accordance with the terms of an insurance policy,
whichever is the earlier.
- (3) The specified measures are—
- verifying the beneficiary's identity on the basis of documents, data or information provided by—
 - a governmental body;
 - the relevant authority or any other relevant authority;
 - an authority in a place outside Hong Kong that performs functions similar to those of the relevant authority or any other relevant authority; or
 - any other reliable and independent source that is recognized by the relevant authority; and
 - where the beneficiary is a legal person or trust—
 - identifying its beneficial owners; and
 - if there is a high risk of money laundering or terrorist financing having regard to the particular circumstances of the beneficial owners, taking reasonable measures to verify the beneficial

owners' identities so that the financial institution knows who the beneficial owners are.

12. Special requirements for wire transfers

- (1) *(Repealed 4 of 2018 s. 26)*
- (2) This section does not apply to the following wire transfers—
 - (a) a wire transfer between two financial institutions if each of them acts on its own behalf;
 - (b) a wire transfer between a financial institution and a foreign institution if each of them acts on its own behalf;
 - (c) a wire transfer if—
 - (i) it arises from a transaction that is carried out using a credit card, debit card or prepaid card such as—
 - (A) withdrawing money from a bank account through an automated teller machine with a debit card;
 - (B) obtaining a cash advance on a credit card; or
 - (C) paying for goods or services with a credit card, debit card or prepaid card;
 - (ii) the card is not used as a payment system to effect a person-to-person transfer; and
 - (iii) the number (or equivalent unique identifier) of the credit card, debit card or prepaid card is included in the message or payment form accompanying the transfer. *(Replaced 15 of 2022 s. 33)*
 - (3) Subject to subsection (3A), before carrying out a wire transfer, a financial institution that is an ordering institution must record— *(Amended 4 of 2018 s. 26)*
 - (a) the originator's name;