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23 February 2018

**Circular to Money Service Operators**  
**Anti-Money Laundering / Counter-Terrorist Financing**  
**Amendments to Anti-Money Laundering and Counter-Terrorist Financing Guideline**

The Customs & Excise Department (“C&ED”) published in the Gazette today (G.N.1222 of 2018) a revised guideline, namely :

- Guideline on Anti-Money Laundering and Counter-Terrorist Financing (For Money Service Operators) (“the Guideline”)

to reflect the recently enacted Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Ordinance 2018 (“the Amendment Ordinance”)<sup>Note<sup>1</sup></sup> and make corresponding amendments.

The amendments include, among others, the following :

- (a) changing the threshold of defining beneficial ownership from the current “not less than 10%” to “more than 25%”;
- (b) revising the guidance provided for customers who are not physically present for identification purpose;
- (c) providing additional guidance on reliance upon an intermediary to perform the Customer due diligence measures, particularly in relation to domestic intermediaries and group reliance;
- (d) aligning the requirements relating to wire transfers with the proposed amendments to section 12 of Schedule 2 to the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance; and
- (e) changing the record-keeping period from “six years” to “at least five years”.

This revised guideline can be found on the C&ED’s website as well as the Government’s website and will come into effect on 1 March 2018.

[https://eservices.customs.gov.hk/MSOS/download/guideline/AMLO\\_Guideline\\_en.pdf](https://eservices.customs.gov.hk/MSOS/download/guideline/AMLO_Guideline_en.pdf)

<http://www.gld.gov.hk/cgi-bin/gld/egazette/index.cgi?lang=e>

Money Service Operators should review their existing policies and procedures in light of the changes in the revised guideline and take any necessary steps to ensure continued compliance with all applicable requirements of the guideline.

Should you have any queries regarding the contents of this circular, please contact us at 2707 7819.

Money Service Supervision Bureau

Customs and Excise Department

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Note 1 Please refer to our circular issued on 14 February 2018 on the Gazette of the Amendment Ordinance (<https://eservices.customs.gov.hk/MSOS/downloadFile?id=148589>) and our circular issued on 29 September 2017 on the Gazette of the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Bill 2017 (<https://eservices.customs.gov.hk/MSOS/downloadFile?id=135584>).