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3 May 2018

**Circular to Money Service Operators**  
**Anti-Money Laundering / Counter-Terrorist Financing**  
**Publication of Hong Kong's Money Laundering and Terrorist Financing**  
**Risk Assessment Report**

The Government published Hong Kong's Money Laundering and Terrorist Financing ("ML/TF") Risk Assessment Report ("the Report") on 30 April 2018. Having regard to the recommendation of the Financial Action Task Force for jurisdictions to identify and assess their ML/TF risks and to apply corresponding mitigating measures, the Report examines the ML/TF threats and vulnerabilities faced by various sectors in Hong Kong and the city as a whole.

The Report can be found on the Government's website (<https://www.fstb.gov.hk/fsb/aml/en/risk-assessment.htm>).

Money Service Operators ("MSOs") are required to identify and assess ML/TF risks to which they are exposed, so as to determine the adequate and appropriate anti-money laundering and counter-financing of terrorism ("AML/CFT") policies, procedures and controls ("AML/CFT systems") that should be implemented to mitigate the risks of ML/TF identified <sup>Note 1</sup>.

MSOs should give due consideration to the ML/TF threats and vulnerabilities identified in the Report, in particular its Chapter 5.4 on the assessment of ML risks of MSOs sector, that are relevant to their own circumstances <sup>Note 2</sup> in their risk assessment process.

Should you have any queries regarding the contents of this circular, please contact us at 2707 7800.

Money Service Supervision Bureau  
Customs and Excise Department

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<sup>Note1</sup> Please see Chapter 2 of the Guideline on Anti-Money Laundering and Counter-Terrorist Financing ("AML Guideline").

<sup>Note2</sup> Taking into account all relevant risk factors such as those in respect of services offered, delivery and distribution channels, types of customers, countries and geographical locations involved.