



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

Amendments to the United Nations (Anti-Terrorism Measures) Ordinance

The United Nations (Anti-Terrorism Measures) (Amendment) Ordinance 2018 (“Amendment Ordinance”) ^{Note 1} was enacted by the Legislative Council on 21 March 2018 and came into effect on 31 May 2018. The Amendment Ordinance aims at further implementing the United Nations Security Council Resolution 2178 and the Financial Action Task Force’s recommendation to combat the threats posed by foreign terrorist fighters and enhance the freezing mechanism on terrorist property.

The Amendment Ordinance introduces the following new provisions, among others, which are likely to be relevant to money service operators (“MSOs”):

- (1) New section 8A prohibits, except under the authority of a licence granted by the Secretary for Security, dealing, directly or indirectly, with any property knowing that, or being reckless as to whether, the property is –
 - (a) terrorist property specified under section 4 or 5;
 - (b) wholly or jointly owned or controlled, directly or indirectly, by a terrorist or terrorist associate specified under section 4 or 5; or
 - (c) held by a person on behalf of, or at the direction of, a terrorist or terrorist associate specified under section 4 or 5.
- (2) New section 11L prohibits provision or collection, by any means, directly or indirectly of any property –
 - (a) with the intention that the property will be used; or
 - (b) knowing that the property will be used, in whole or in part, to finance the travel of any person between states for a specified purpose ^{Note 2} (whether or not the property is actually so used).

^{Note1} The Amendment Ordinance can be found on the Government’s website (<https://www.gld.gov.hk/egazette/pdf/20182213/es12018221314.pdf>).

^{Note2} “Specified purpose” means (a) the perpetration, planning or preparation of, or participation in, one or more terrorist acts (even if no terrorist act actually occurs); or (b) the provision or receiving of training that is in connection with the perpetration, planning or preparation of, or participation in, one or more terrorist acts (even if no terrorist act actually occurs as a result of the training).



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MSOs should take note of these and other new provisions in the Amendment Ordinance and consider the implications for their anti-money laundering and counter-financing of terrorism controls, in particular whether any adjustments are needed to sanctions screening and transaction monitoring systems.

Furthermore, MSOs are reminded to refer to Chapter 6 of the Guideline on Anti-Money Laundering and Counter-Terrorist Financing which contains guidance on the appropriate measures that MSOs should take to ensure compliance with the United Nations (Anti-Terrorism Measures) Ordinance.

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

Money Service Supervision Bureau
Customs and Excise Department

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