



Suspicious Transaction Reporting

Stephen YIP

Detective Inspector of Police



Financial Intelligence
and Investigation Bureau



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◆ About JFIU & FIIB

◆ Key Legislation

◆ STR

◆ Case Study



◆ About JFIU & FIIB

◆ Key Legislation

◆ STR

◆ Case Study

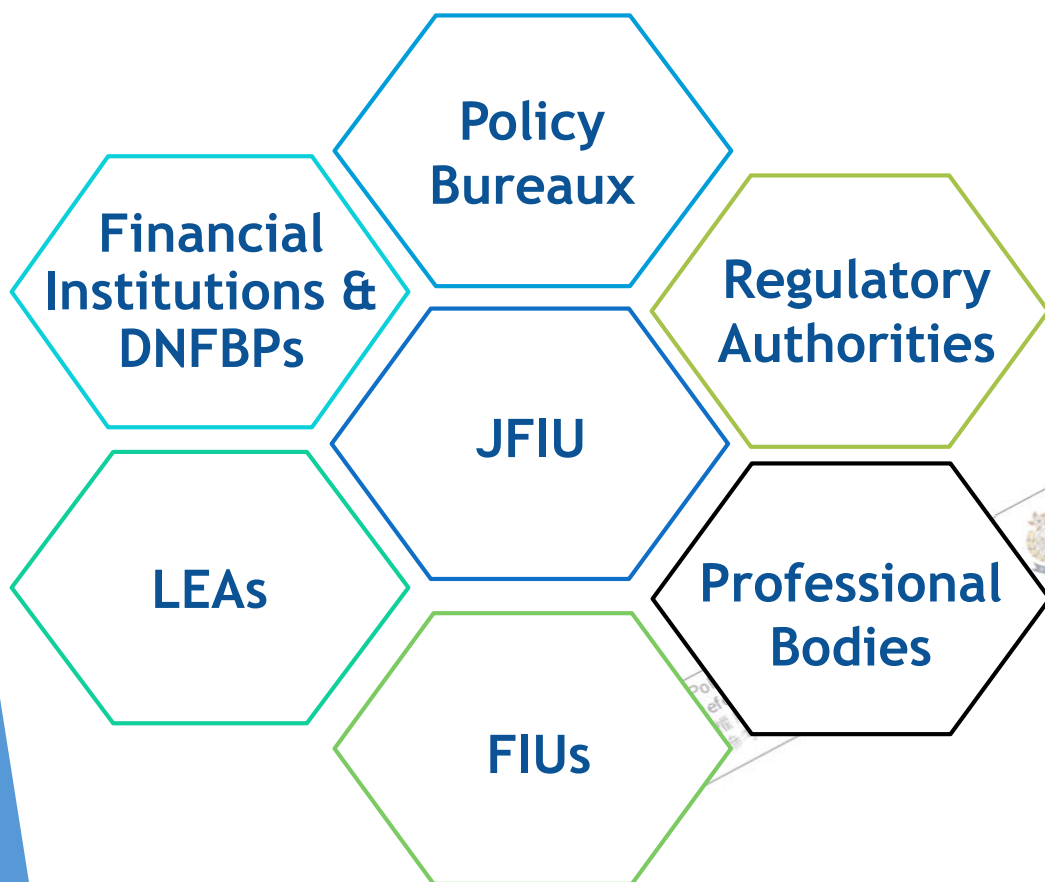


About JFIU

- ▶ Set up in 1989
- ▶ Co-staffed by officers of HKPF & C&ED
- ▶ Sole agency to manage the suspicious transaction reporting regime
- ▶ Financial intelligence exchanges with FIUs and LEAs worldwide
- ▶ Member of Egmont Group since 1996
- ▶ Establishment of Financial Intelligence and Investigation Bureau (FIIB) in Q1 2021



About JFIU



CHARTER

- ▶ Operation analysis of **STR**
- ▶ Global exchange of financial intelligence and information
- ▶ **Strategic analysis** of financial intelligence and other information
- ▶ Research on ML/TF trends and typologies
- ▶ Operation of the STREAMS
- ▶ Support on provisional measures to prevent further dealing of suspicious property
- ▶ Staffing of local and international AML/CFT policy matters
- ▶ Coordination of AML/CFT **training and outreach**

Financial Intelligence and Investigation Bureau



- ▶ Establishment of FIIB in June 2021
- ▶ Three divisions: Joint Financial Intelligence Unit (JFIU), Financial Investigation Division (FID) and Headquarters (HQ)
- ▶ Money Laundering and Terrorist Financing Risk Assessment Unit (RAU) under HQ
- ▶ Allow HKPF to achieve more synergies among the existing formations, while elevating the importance and sharpening the focus of AML/CFT work in a manner that is commensurate with Hong Kong's status as an international financial center



◆ About JFIU

◆ Key Legislation

◆ STR

◆ Case Study



Key Legislation

1989

Drug Trafficking (Recovery of Proceeds) Ordinance(DTROP, Cap. 405)
販毒(追討得益)條例 (第405章)

1994

Organized and Serious Crimes Ordinance (OSCO, Cap. 455)
有組織及嚴重罪行條例 (第455章)

2002

United Nations (Anti-Terrorism Measures) Ordinance (UNATMO, Cap. 575)
聯合國(反恐怖主義措施)條例 (第575章)

2012

AML & CFT (Financial Institutions) Ordinance (AMLO, Cap. 615)
打擊洗錢及恐怖分子資金籌集(金融機構)條例 (第615章)

2018

Amendment of AMLO, Cap. 615
打擊洗錢及恐怖分子資金籌集條例(第615章)的修訂

Key Legislation (AML)

Any person

- **Knowing** or having reasonable grounds to believe
- Any property
- In whole or in part directly or indirectly represents **proceeds of drug trafficking / indicatable offence**
- **Deals with the property**

Maximum Penalty:

- **HKD 5 Million fine**
- **14 years' imprisonment**

S.25 of Cap. 405 DTROP

S.25 of Cap. 455 OSCO

Key Legislation (*CFT*)

Any person shall not

- **Provide** or **collect** directly or indirectly
- Any property
- **With the intention that the property be used or knowing that the property will be used**
- In whole or in part to commit **one or more terrorist acts**

Maximum Penalty:

- **14 years' imprisonment**

S.7 of Cap. 575 UNATMO

Key Legislation (*STR*)

Any person

- **Knows** or **suspects**
- Any property **represents / was used / is intended to be used in connection with the proceeds of drug trafficking or terrorist property**
- Should **disclose** that knowledge or suspicion to **an authorized officer (i.e. JFIU)**

Maximum Penalty:

- **Level 5 fine (HKD 50,000)**
- **3 months' imprisonment**

S.25A(1) of Cap. 405 DTROP

S.25A(1) of Cap. 455 OSCO

S.12(1) of Cap. 575 UNATMO

Key Legislation (*STR - cont'd*)

Where a person

- **Knows** or **suspects** that a disclosure has been made
- The person **shall not disclose to another person** any matter
- Which is **likely to prejudice any investigation** which might be conducted following that first-mentioned disclosure

Maximum Penalty:

- **HKD 500,000 fine**
- **3 months' imprisonment**

S.25A(5) of Cap. 405 DTROP

S.25A(5) of Cap. 455 OSCO

S.12(5) of Cap. 575 UNATMO

Key Legislation *(restriction on revealing disclosure)*

No witness in any civil or criminal proceedings shall be obliged -

- To reveal that a disclosure was made under section S.25
- To reveal the identity of any person as the person making the disclosure
- To answer any question if the answer would lead, or would tend to lead, to the revealing of any fact or matter referred to above

S.26 of Cap. 405 DTROP

S.26 of Cap. 455 OSCO

◆ About JFIU

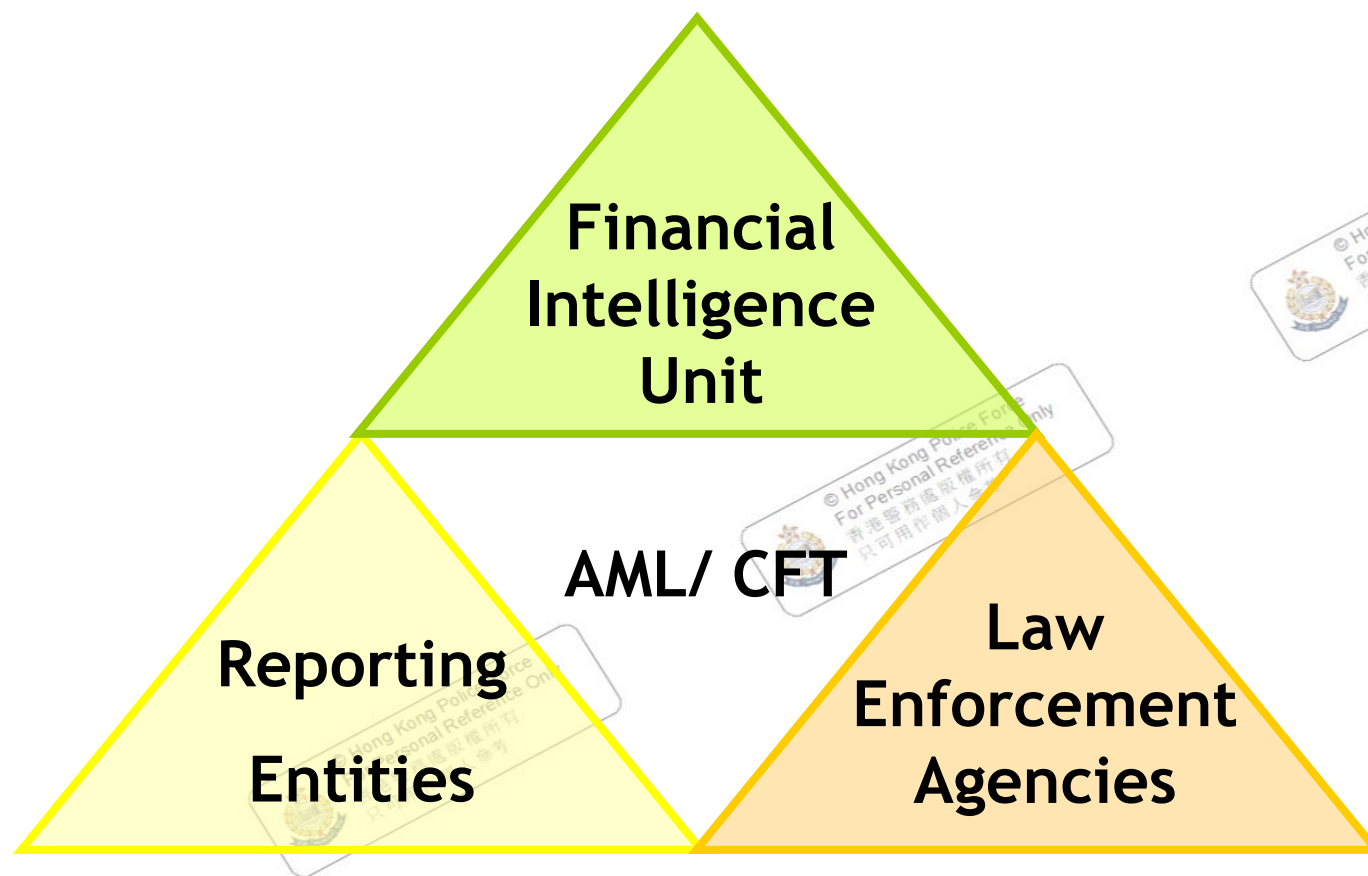
◆ Key Legislation

◆ STR

◆ Case Study

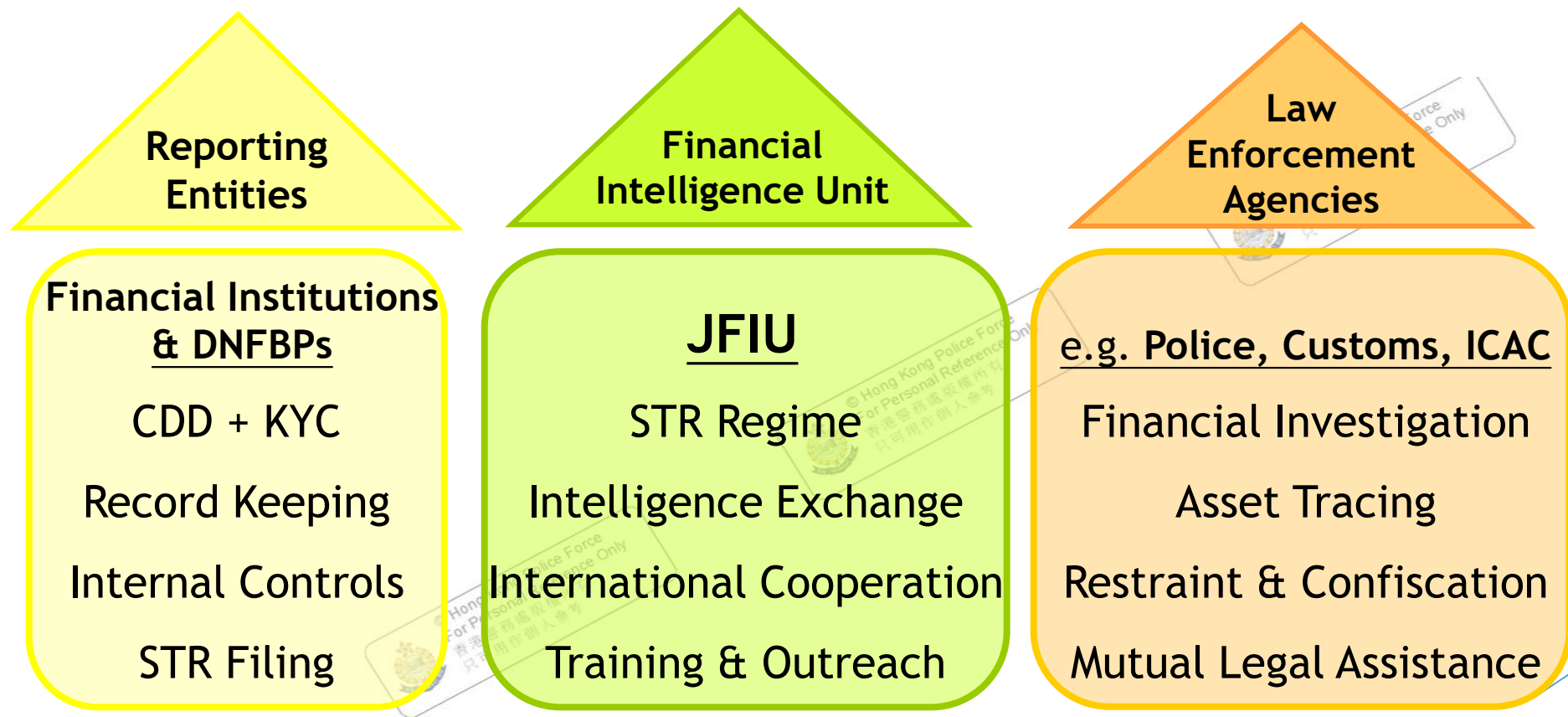


STR Mechanism

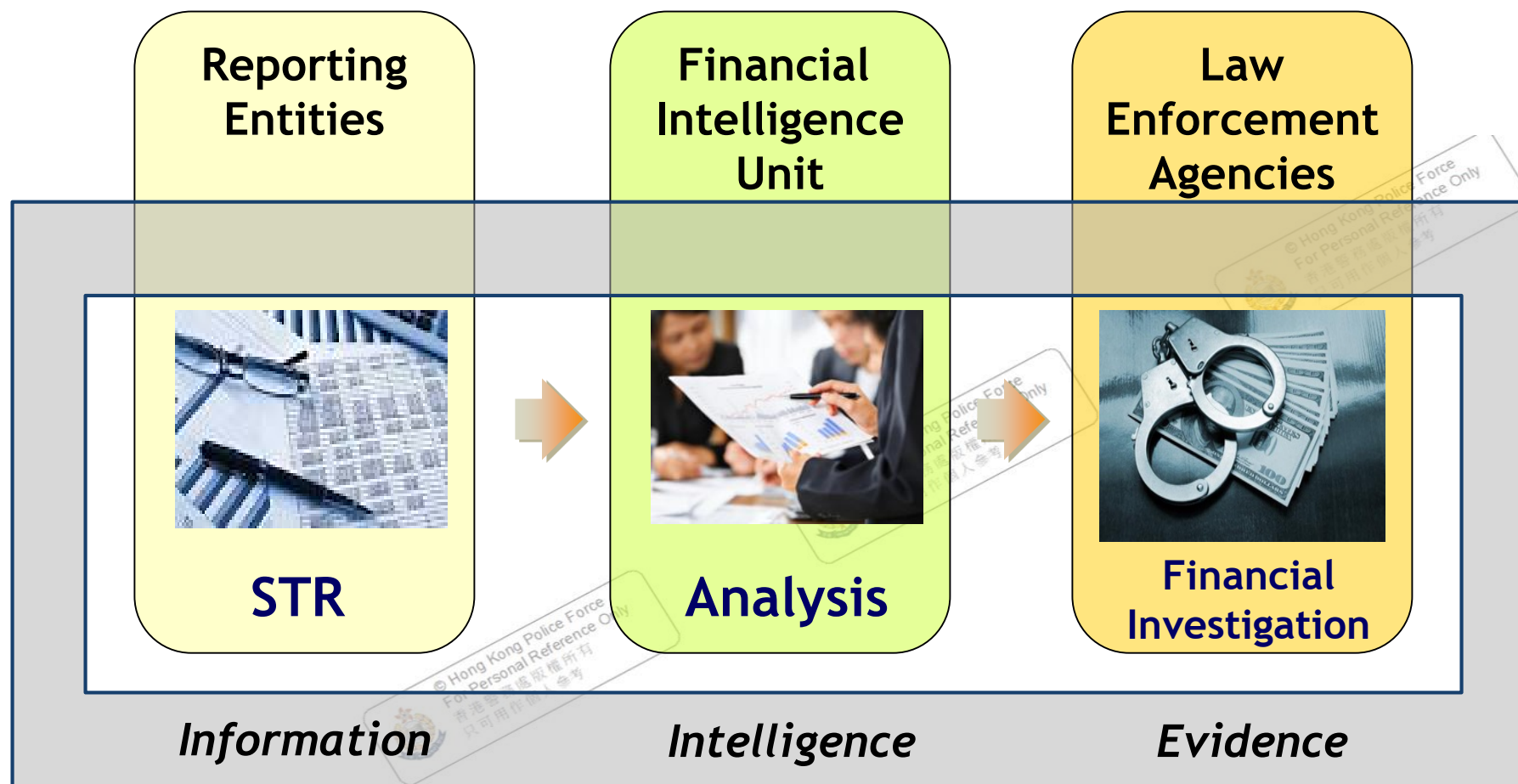


STR Mechanism

← Public-Private Partnership →

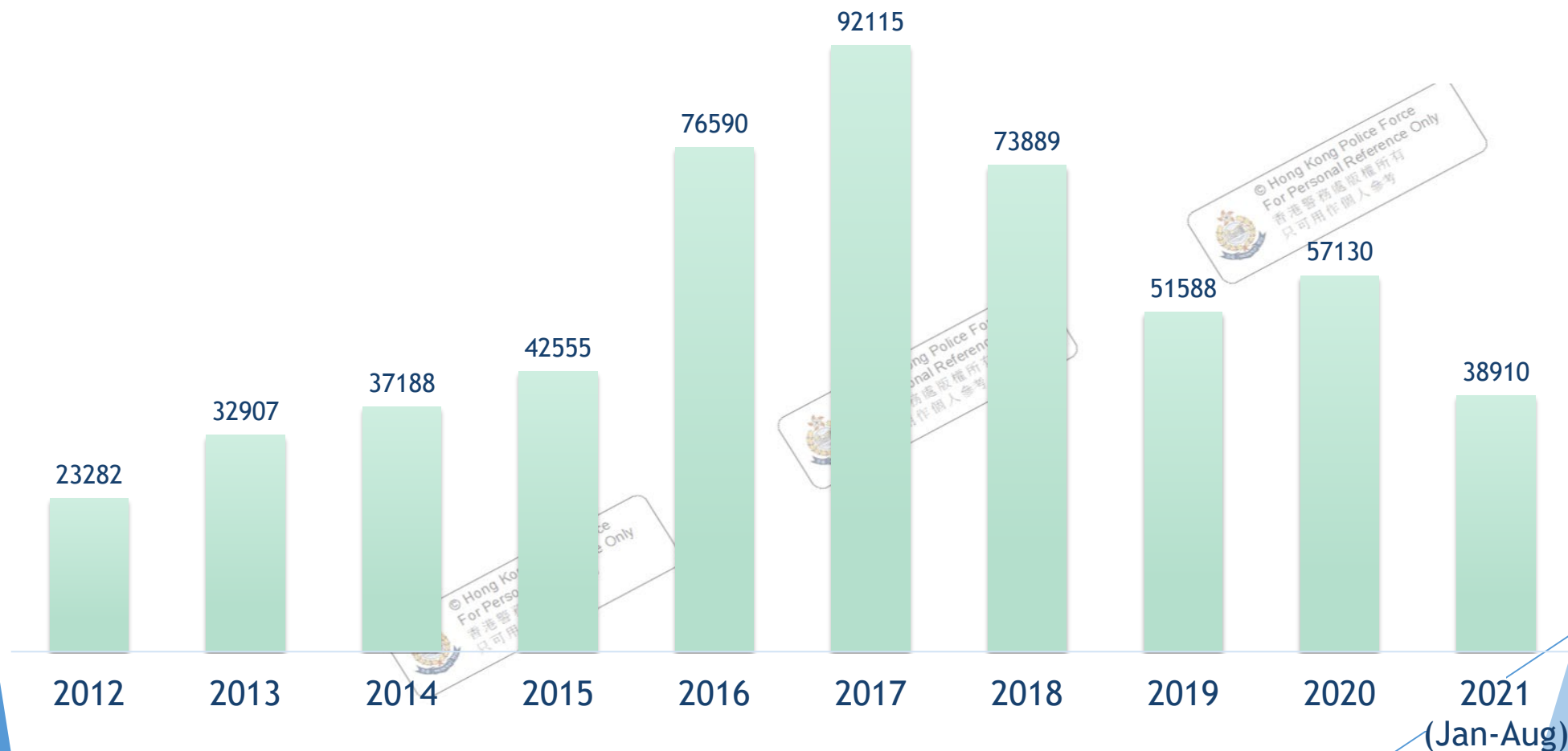


STR Mechanism



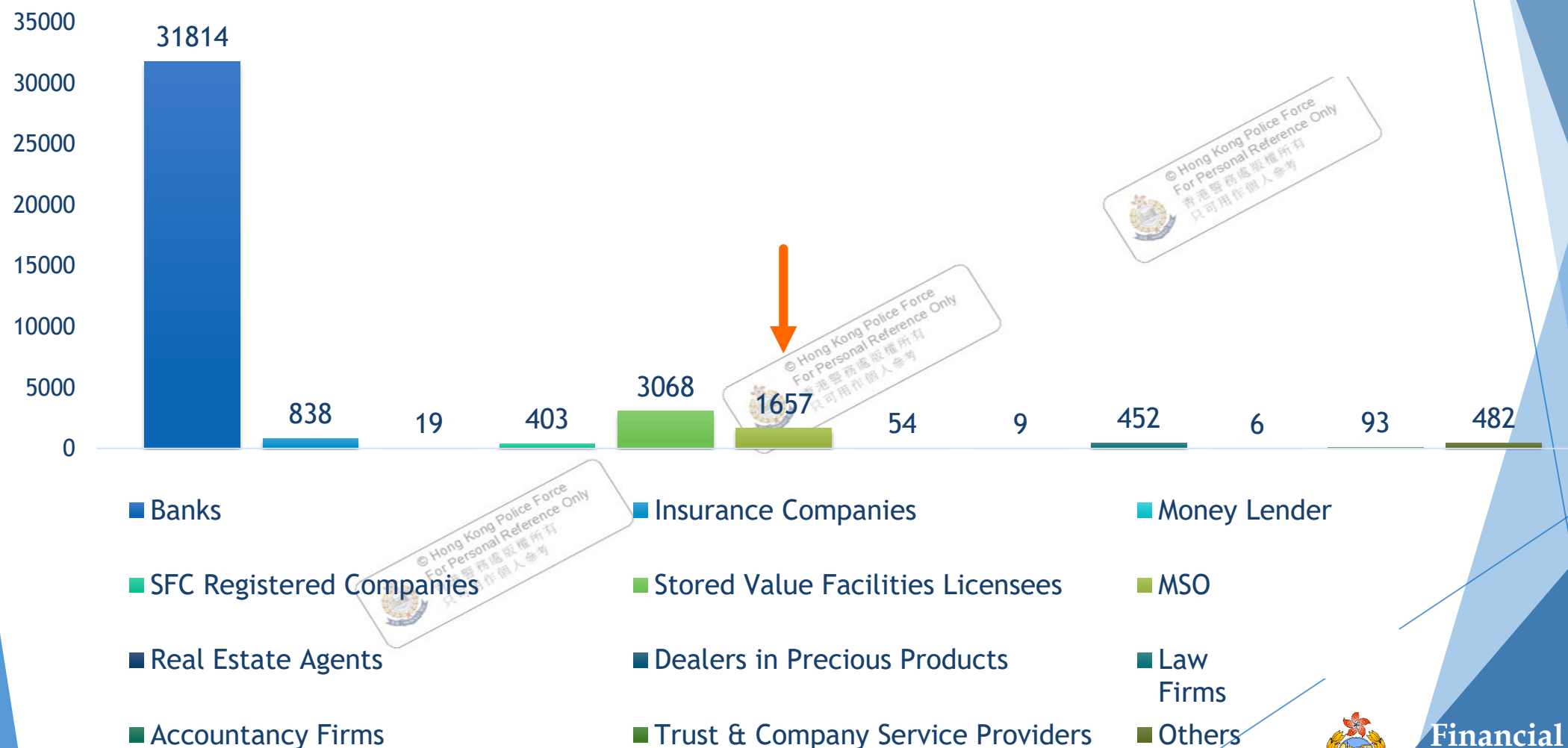
STR Statistics

Number of STR received between 2012 and 2021



STR Statistics

Sectoral Breakdown of STRs received by JFIU in 2021 (Jan-Aug)



STR Reporting

How to submit an STR?

Suspicious transaction reports can be made in one of the following ways:

- by e-reporting system, STREAMS
- by email to jfiu@police.gov.hk



- by fax to : (852) 2529 4013



- by mail, addressed to Joint Financial Intelligence Unit, GPO Box 6555 Hong Kong



- by telephone (852) 2866 3366 (for urgent reports during office hours)



If you want to file an STR via STREAMS, you have to complete **the application form** and return to the JFIU either by fax (2529 4013) or email (jfiu@police.gov.hk). If you need any further information, please feel free to contact the JFIU.

Suspicious Transaction
Report And Management
System (STREAMS)



‘SAFE’ Approach

Screen

subject entities’ background & transactions

Ask

appropriate questions to clarify circumstances

Find

relevant records for review

Evaluate

whether suspicion is substantiated

Recommended Structure of STR

STR Summary

Reporting Body

Subject

Organization

Phone

Address

Account

Transaction

Suspected Crimes

Suspicious Indicators

Open Source Info.

Entity Lists

Check

Save

Print

Subject

Sequence No: 1

English Name: Family Name: Given Name: Middle Name:

Chinese Name: CCC: HKID: ()

Other ID Type: if Others: ID No.: Country:

DOB: Gender: ☐ M ☐ F ☒ U Occupation:

Nature:

Phone:

Email: + -

Address:

Additional Information:

STR Summary

Reporting Body

Subject

Organization

Phone

Address

Account

Transaction

Suspected Crimes

Suspicious Indicators

Open Source Info.

Entity Lists

Check

Save

Print

Account

Sequence No: 1

Account Institution:

Account Number: Account Type: if Others:

Opening Date: Closing Date:

Balance: Currency: HKD Amount: + - Date:

Related Person: Role: if Others:

Related Company: Role: if Others:

Additional Information:

STR filing

STR Summary

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Check

Save

Print

REPORT MADE UNDER SECTION 25A OF THE
DRUG TRAFFICKING (RECOVERY OF PROCEEDS) ORDINANCE OR
ORGANIZED AND SERIOUS CRIMES ORDINANCE/
SECTION 12 OF THE UNITED NATIONS (ANTI-TERRORISM MEASURES) ORDINANCE
TO THE JOINT FINANCIAL INTELLIGENCE UNIT ("JFIU")

STR Summary

STR Number:	<div></div>
Submission Number:	<div></div>
Date of Submission:	<div></div>
Acknowledgement Issue Date:	<div></div>
Consent Letter Issue Date:	<div></div>
Consent:	<div><div><input checked="" type="checkbox"/> None</div><div><input type="checkbox"/> Yes</div><div><input type="checkbox"/> No</div><div><input type="checkbox"/> Not Applicable</div></div>
Consent Remark:	<div></div>

Special Cases with Time Critical Nature:

* Report Related to Existing Investigation:	<div><input type="checkbox"/> Yes</div> <div><input checked="" type="checkbox"/> No</div>
---------------------------------------------	-------------------------------------------------------------------------------------------

Attachment:

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Refresh

No.	File Name	File Size
1		KB
Total		KB

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Financial Intelligence
and Investigation Bureau



STR filing

STR Summary **Reporting Body** Subject Organization Phone Address Account Transaction
Suspected Crimes Suspicious Indicators Open Source Info. Entity Lists **Check** **Save** **Print**

Reporting Body

Organization ID:	<input type="text"/>
Organization Name:	<input type="text"/>
Reporting Officer ID:	<input type="text"/>
Reporting Officer:	<input type="text"/>
Organization Reference:	<input type="text"/>
Phone:	<input type="text"/>
Fax:	<input type="text"/>
Email:	<input type="text"/>

*Reason for Disclosure:

Drug Trafficking (ROP) Ordinance [Cap.405]:	<input type="checkbox"/>
Organized and Serious Crimes Ordinance [Cap. 455]:	<input type="checkbox"/>
United Nations (Anti-Terrorism Measures) Ordinance [Cap. 575]:	<input type="checkbox"/>

Other Information:

This Disclosure Related to a Previous Disclosure:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
---------------------------------------------------	---------------------------------------------------------------------

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參考

STR filing

STR Summary	Reporting Body	Subject	Organization	Phone	Address	Account	Transaction
Suspected Crimes	Suspicious Indicators	Open Source Info.	Entity Lists	Check Save Print			

Subject																																							
Sequence No: 1 + -																																							
English Name:	Family Name: _____	Given Name: _____	Middle Name: _____																																				
Chinese Name:	_____	CCC: <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																			HKID: <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> ()																		
Other ID + -	Type: _____ ▼	if Others: _____																																					
	ID No.: _____	Country: _____ ▼																																					
DOB: _____	Gender: <input type="checkbox"/> M <input type="checkbox"/> F <input checked="" type="checkbox"/> U		Occupation: _____																																				
Nature: _____	_____ ▼																																						
Phone: _____	_____																																						
Email: + -	_____																																						
Address: _____	_____																																						
Additional Information:	_____																																						

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STR filing

STR Summary	Reporting Body	Subject	Organization	Phone	Address	Account	Transaction
Suspected Crimes	Suspicious Indicators	Open Source Info.	Entity Lists	Check	Save	Print	

Organization

Sequence No: 1 + -

English Name:			
Chinese Name:		Date of Incorporation: _____	
Local Company: <input type="checkbox"/>	BR No.: _____	CR No.: _____	Public Listed Company No.: _____
Oversea Company: <input type="checkbox"/>	Country: _____		Reg. No.: _____
Non-Government Organization:	<input type="checkbox"/> Yes <input type="checkbox"/> No	Charitable Organization:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Nature:		Business Nature:	
Phone:			
Email: + -			
Address:			
Related Person:		Role: _____ ▼	if Others: _____
Related Company:		Role: _____ ▼	if Others: _____
Additional Information:			

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STR filing

STR Summary

Reporting Body

Subject

Organization

Phone

Address

Account

Transaction

Suspected Crimes

Suspicious Indicators

Open Source Info.

Entity Lists

Check

Save

Print

Phone Entity

Save +

No.	Linked?	Country Code	Area Code	* Subscriber Number	Extension
1	<input type="checkbox"/>				



STR filing

STR Summary

Reporting Body

Subject

Organization

Phone

Address

Account

Transaction

Suspected Crimes

Suspicious Indicators

Open Source Info.

Entity Lists

Check

Save

Print

Address Entity

Save +

No.	Linked?	Address Detail
1	<input type="checkbox"/>	



STR filing

STR Summary	Reporting Body	Subject	Organization	Phone	Address	Account	Transaction
Suspected Crimes	Suspicious Indicators	Open Source Info.	Entity Lists	Check	Save	Print	

Account					
Sequence No:		1		+ -	
Account Institution:					
Account Number:		Account Type:	<input type="text"/>	if Others:	
Opening Date:		Closing Date:			
Balance:	Currency: HKD	Amount:	<input type="text"/>	Date:	
Related Person:		Role:	<input type="text"/>	if Others:	
Related Company:		Role:	<input type="text"/>	if Others:	
Additional Information:					

STR filing

STR Summary Reporting Body Subject Organization Phone Address Account **Transaction**
Suspected Crimes Suspicious Indicators Open Source Info. Entity Lists **Check Save Print**

Summary of Suspicious Transaction in the Reviewed Period

+ - ...

No.	From (Date)	To (Date)	Subject	Type	Currency	Amount
1					HKD	+ -
	Transaction Branch:					
	Transaction Counterpart:			A/C:	Others:	
Remark:						

* Total Amount of Suspicious Transactions Reported (in HKD)

* Total Period covering the Suspicious Transactions (in days)

* Daily Average of the Suspicious Transactions Reported

STR filing

STR Summary Reporting Body Subject Organization Phone Address Account Transaction
Suspected Crimes Suspicious Indicators Open Source Info. Entity Lists Check Save Print

Suspected Crimes (Please put a "✓" in the selected box(es).)

Designated Categories of Offences by FATF

Clear Checkbox

- | | |
|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Participation in an Organized Criminal Group and Racketeering | <input type="checkbox"/> Counterfeiting Currency |
| <input type="checkbox"/> Terrorism including Terrorist Financing | <input type="checkbox"/> Counterfeiting and Piracy of Products |
| <input type="checkbox"/> Trafficking in Human Beings and Migrant Smuggling | <input type="checkbox"/> Environmental Crime |
| <input type="checkbox"/> Sexual Exploitation including Sexual Exploitation of Children | <input type="checkbox"/> Murder, Grievous Bodily Injury |
| <input type="checkbox"/> Illicit Trafficking in Narcotic Drugs and Psychotropic Substances | <input type="checkbox"/> Kidnapping, Illegal Restraint and Hostage-Taking |
| <input type="checkbox"/> Illicit Arms Trafficking | <input type="checkbox"/> Robbery or Theft |
| <input type="checkbox"/> Illicit Trafficking in Stolen and Other Goods | <input type="checkbox"/> Smuggling (including in relation to customs and excise duties and taxes) |
| <input type="checkbox"/> Corruption and Bribery | <input type="checkbox"/> Tax Crimes (related to direct taxes and indirect taxes) |
| <input type="checkbox"/> Fraud | <input type="checkbox"/> Extortion |
| <input type="checkbox"/> Email Scam | <input type="checkbox"/> Forgery |
| <input type="checkbox"/> Investment Scam | <input type="checkbox"/> Piracy |
| <input type="checkbox"/> Romance Scam | <input type="checkbox"/> Insider Trading and Market Manipulation |
| <input type="checkbox"/> Telephone Deception | |
| <input type="checkbox"/> Others (Please specify) | |

- | | |
|-------------------------------------------------|-----------------------------------------------------------------------------|
| <input type="checkbox"/> Money Laundering | <input type="checkbox"/> No Crime Related |
| <input type="checkbox"/> Self Laundering | <input type="checkbox"/> Other (Please specify in 'Additional Information') |
| <input type="checkbox"/> Third-Party Laundering | |

Additional Information:

STR filing

STR Summary Reporting Body Subject Organization Phone Address Account Transaction
Suspected Crimes **Suspicious Indicators** Open Source Info. Entity Lists **Check Save Print**

Suspicious Indicators (Please put a "✓" in the selected box(es).)

Fund Movement Pattern

- ☐ Indirect Transaction/ Transaction Intended to Break Audit Trail
- ☐ Uneconomical Transaction/ Transaction with No Business Purpose
- ☐ Temporary Repository of Fund
- ☐ Numerous Transaction Counterparties without Apparent Reasonable Cause
- ☐ Transaction Involving High-Risk Jurisdiction/Region
- ☐ Large Cash Transaction
- ☐ N/A

Accounts

- ☐ Shell Company
- ☐ Account Operated/Controlled by Third-Party other than Signatory/Account Holder
- ☐ Non-Resident Personal Account
- ☐ Offshore Company
- ☐ N/A

Customer Background/Behavior

Clear Checkbox

- ☐ Transactions/ Amount Incommensurate with the Background of the Person / Business
- ☐ Suspected Money Courier/Unlicensed Money Service Operator
- ☐ Politically Exposed Persons (PEP)
- ☐ Customer Insisted to Use Less Secured Transactions
- ☐ Customer Evasive/Reluctant to Provide Information
- ☐ Suspected Counterfeit Document Presented by the Customers
- ☐ N/A

Others

Clear Checkbox

- ☐ Casino related Suspicious Transaction
- ☐ Charitable Organization/NPO related Suspicious Transaction
- ☐ Others (Please Specify)
- ☐ N/A

Narrative comment about the questioned transactions:



STR filing

(STR Summary) (Reporting Body) (Subject) (Organization) (Phone) (Address) (Account) (Transaction)
(Suspected Crimes) (Suspicious Indicators) (Open Source Info.) (Entity Lists) **Check** **Save** **Print**

Open Source Information

Website:



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Additional Information:



STR filing

STR Summary

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Phone

Address

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Transaction

Suspected Crimes

Suspicious Indicators

Open Source Info.

Entity Lists

Check

Save

Print

Entity Lists

Subject List

No.	Linked	English Name	Chinese Name	HKID	Other ID No.	Country	Occupation	
1	<input type="checkbox"/>							+ - ...

Organization List

No.	Linked	Company Name	Registration Type	Person Name	Person Role	Company Name	Company Role	
1	<input type="checkbox"/>							+ - ...

Phone List

No.	Country Code	Area Code	* Subscriber Number	Extension	
1					+ - ...

Account List

No.	Account Number	Account Type	Person Name	Person Role	Company Name	Company Role	
1							+ - ...

Address List

No.	Address Detail	
1		+ - ...



Recommended Structure of STR Narrative

- 1) Triggering Factors
- 2) Background of Subject(s)
- 3) Transactions
- 4) Reporting Entity's Enquiries & Open Source Information
- 5) Conclusion & Way Forward

Recommended Structure of STR Narrative

1) Triggering Factors

- ▶ Involved crimes (fraud/corruption/sanctions/terrorist acts, etc.)
- ▶ Warrants/court orders received
- ▶ Open source information (news/list of regulatory agencies, etc.)
- ▶ Pattern of suspicious transactions (large transactions/temporary repository of fund, etc.)

2) Background of Subject(s)

- ▶ Personal: Age, occupation, income, transaction history, etc.
- ▶ Corporate: Date of establishment, business nature, expected transaction amount, etc.

Recommended Structure of STR Narrative

3) Transactions

- ▶ Reviewed period
- ▶ Fund movement pattern (sudden change?)
- ▶ Total amount deposited/withdrawn
- ▶ Suspicious transactions (Not limited to transactions of large amount/frequent transactions)
- ▶ Pattern of suspicious transactions

Recommended Structure of STR Narrative

4) Reporting Entities' Enquiries & Open Source Information

- ▶ Suspicious indicators (KYC queries, world check, etc. → not necessary to report all queries carried out)
- ▶ Links of open source information

5) Conclusion & Way Forward)

- ▶ Conclusion of the report
- ▶ Follow-up actions (Enhanced CDD measure, End of business relationship, etc.)

STR Feedback

- ▶ Acknowledgement of receipt
- ▶ Consent / No Consent / N/A
- ▶ Quarterly STR analyses
- ▶ Meeting with stakeholders



◆ About JFIU

◆ Key Legislation

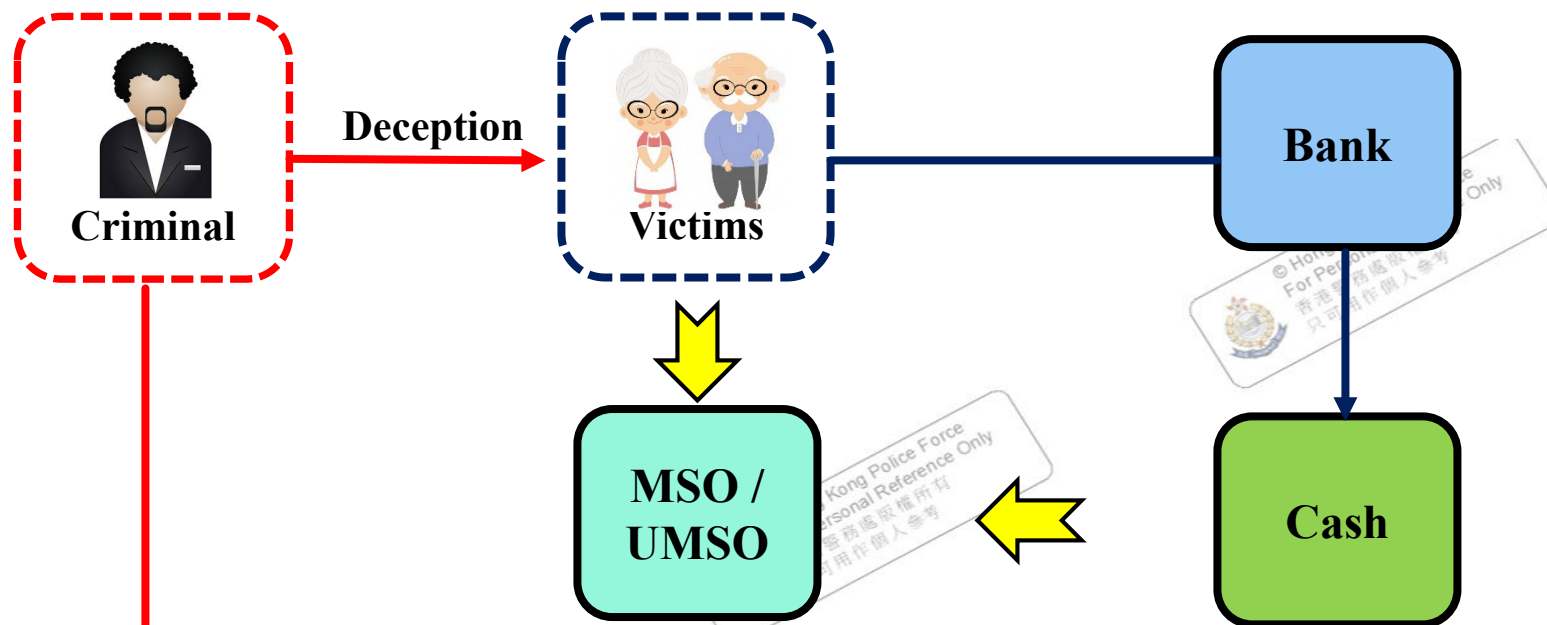
◆ STR

◆ Case Study

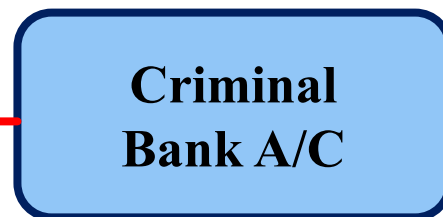


Case Study

Jurisdiction A



Jurisdiction B





Thank You!

Website: www.jfiu.gov.hk

Email : jfiu@police.gov.hk

