



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B10/21C

19 October 2018

The Chief Executive
All Stored Value Facility Licensees

Dear Sir/Madam,

Amendments to Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Stored Value Facility Licensees)

I am writing to inform you that, following consultation with the stored value facility (SVF) industry, the Hong Kong Monetary Authority (HKMA) published in the Gazette today (G.N. 7770 of 2018) the revised Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Stored Value Facility Licensees)¹ (AML/CFT Guideline) under section 54(1A)(b) of the Payment Systems and Stored Value Facilities Ordinance. The revised AML/CFT Guideline will be effective on 1 November 2018.

The amendments to the AML/CFT Guideline will:

- (a) better align it with the latest international requirements, including Financial Action Task Force Recommendations (e.g. inclusion of a new category of international organisation politically exposed persons);
- (b) better facilitate implementation of the risk-based approach by providing principle-based guidance which allows flexibility for SVF licensees in the implementation of risk-based requirements (e.g. identity verification requirements of customers who are natural persons, legal persons, trusts and other similar legal arrangements) and enhancing relevant guidance on risk assessments and management (e.g. further guidance on simplified due diligence and enhanced due diligence);

¹ The Guideline on Anti-Money Laundering and Counter-Terrorist Financing (For Stored Value Facility Licensees) was renamed as the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (Stored Value Facility Licensees).

- (c) address implementation challenges of certain requirements (e.g. amending the requirements on persons purporting to act on behalf of the customer); and
- (d) reduce unintentional barriers to the use of technology in SVF licensees' anti-money laundering and counter-financing of terrorism systems (e.g. allowing the use of different methods to mitigate the risk during non-face-to-face account opening).

SVF licensees should review the revised AML/CFT Guideline and implement appropriate measures, consistent with the risk-based approach, to ensure compliance.

On-line access to the revised AML/CFT Guideline is available on the HKMA website

(<http://www.hkma.gov.hk/eng/key-functions/international-financial-centre/regulatory-regime-for-svf-and-rps/regulation-of-svf/aml-cft.shtml>) and regulatory reporting and information website (<http://www.rri.iclnet.hk>). If you have any questions relating to the Guideline, please approach your usual supervisory contact at the HKMA.

Yours faithfully,

Carmen Chu
Executive Director (Enforcement and AML)

c.c. Financial Services and the Treasury Bureau (Attn: Ms Eureka Cheung)