



# Feedback on Suspicious Transaction Reports

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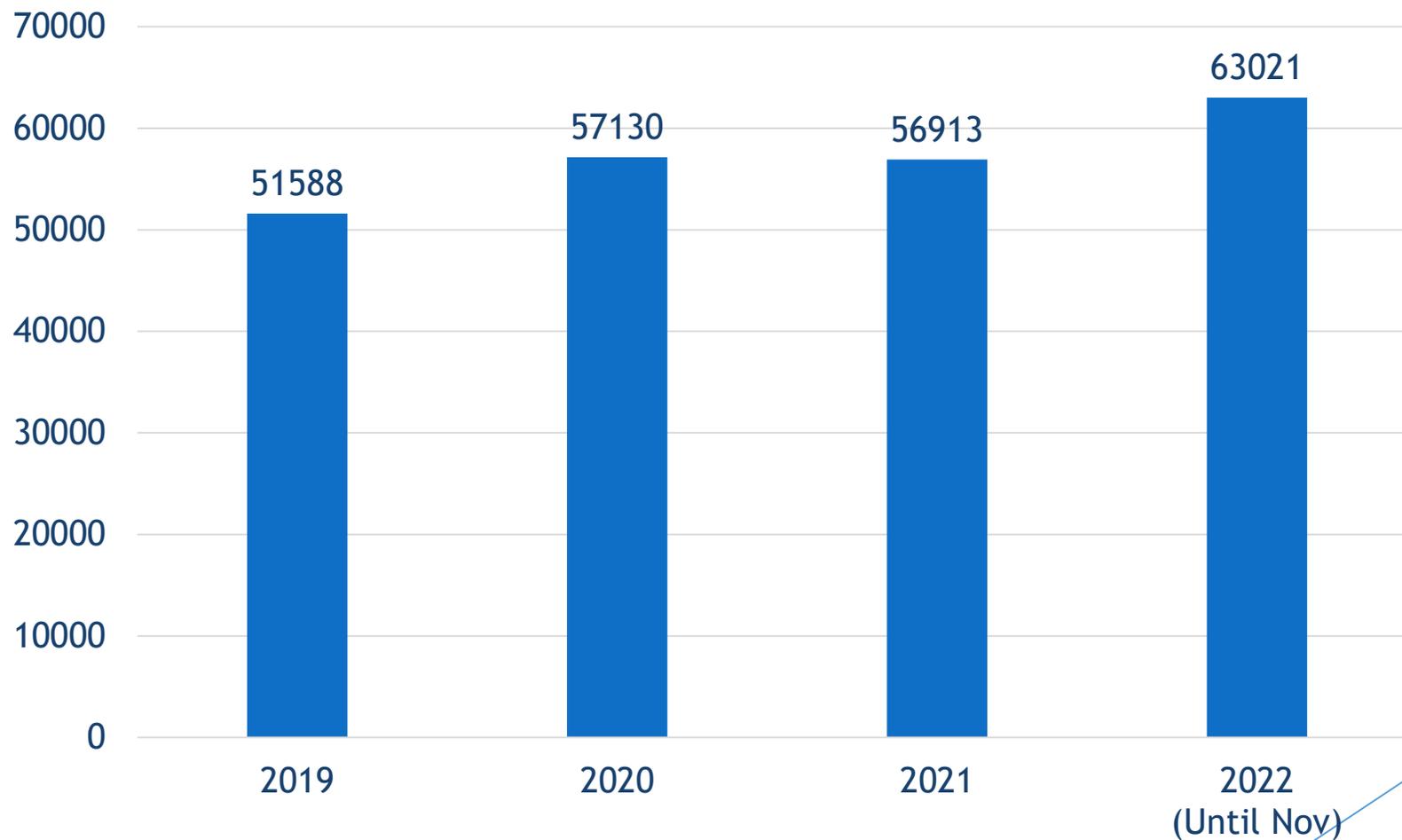


- ◆ STR Statistics
- ◆ Feedback on STRs
- ◆ Case Study



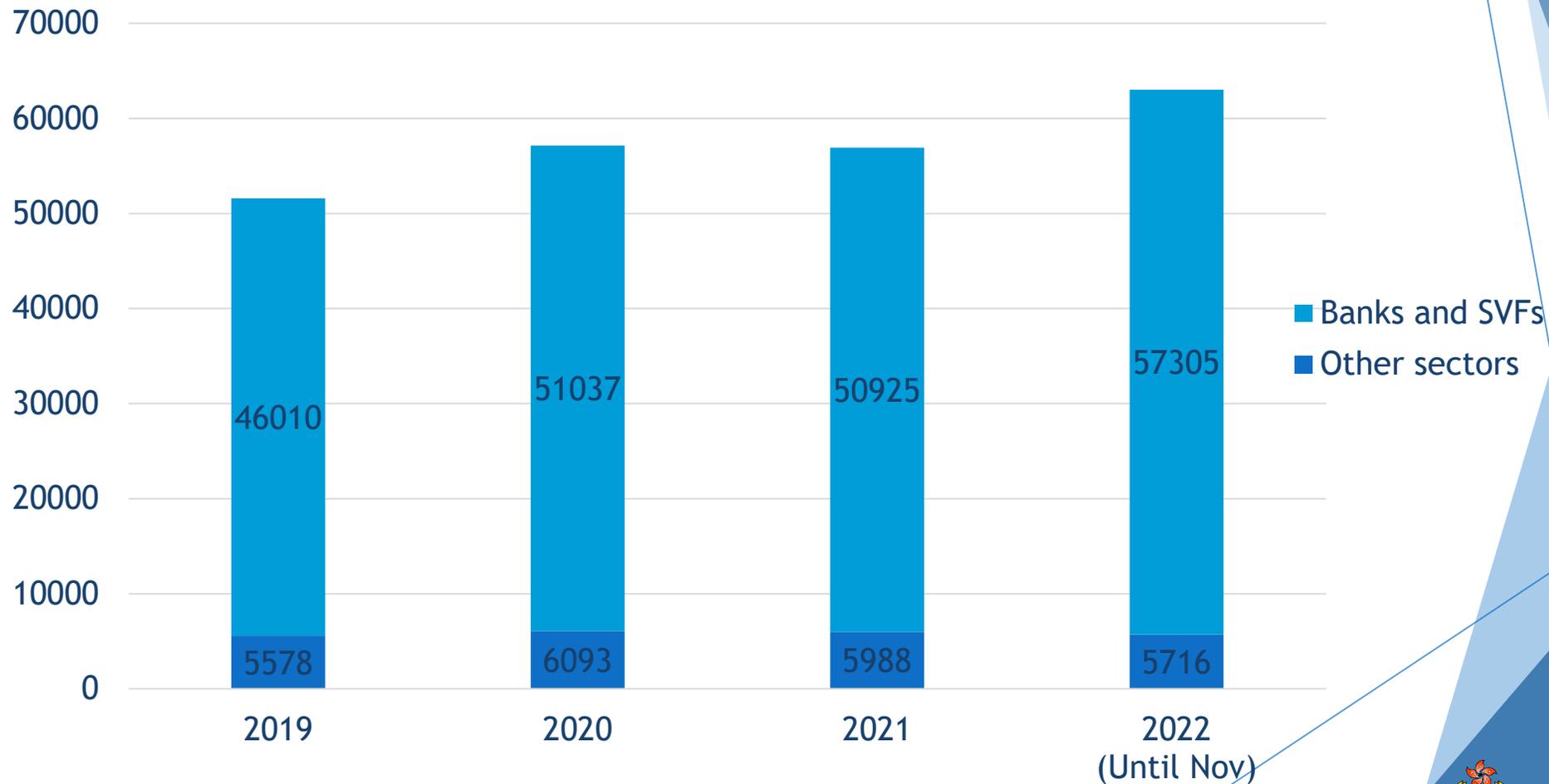
# STR Statistics

Number of STRs received from 2019 to Nov 2022



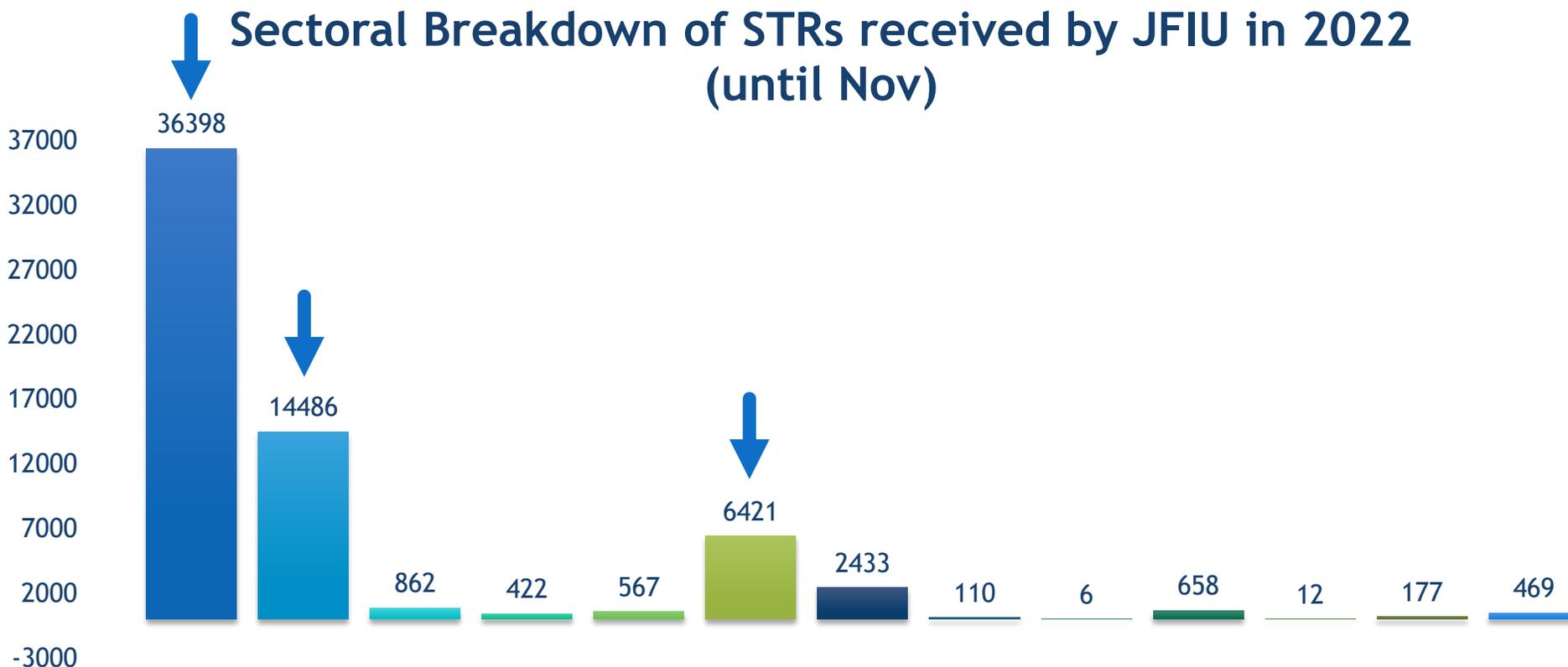
# STR Statistics

## Number of STRs received from 2019 to Nov 2022



# STR Statistics

Sectoral Breakdown of STRs received by JFIU in 2022 (until Nov)

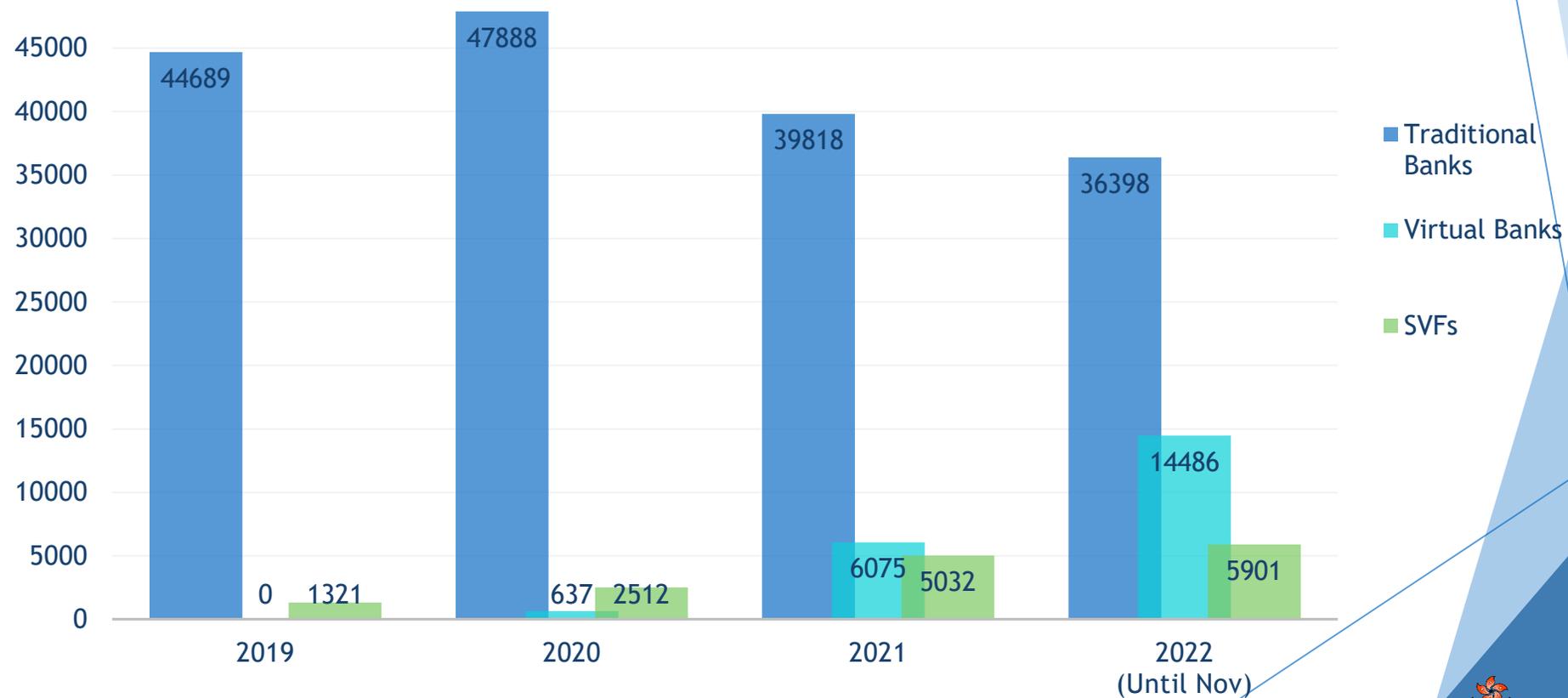


- Traditional Banks
- Virtual Banks
- Insurance Companies
- Money Lenders
- Securities Firms
- Stored Value Facilities Licensees
- Money Service Providers
- Real Estate Agents
- Dealers in Precious Products
- Law Firms
- Accountancy Firms
- Trust & Company Services Providers
- Others



# STR Statistics

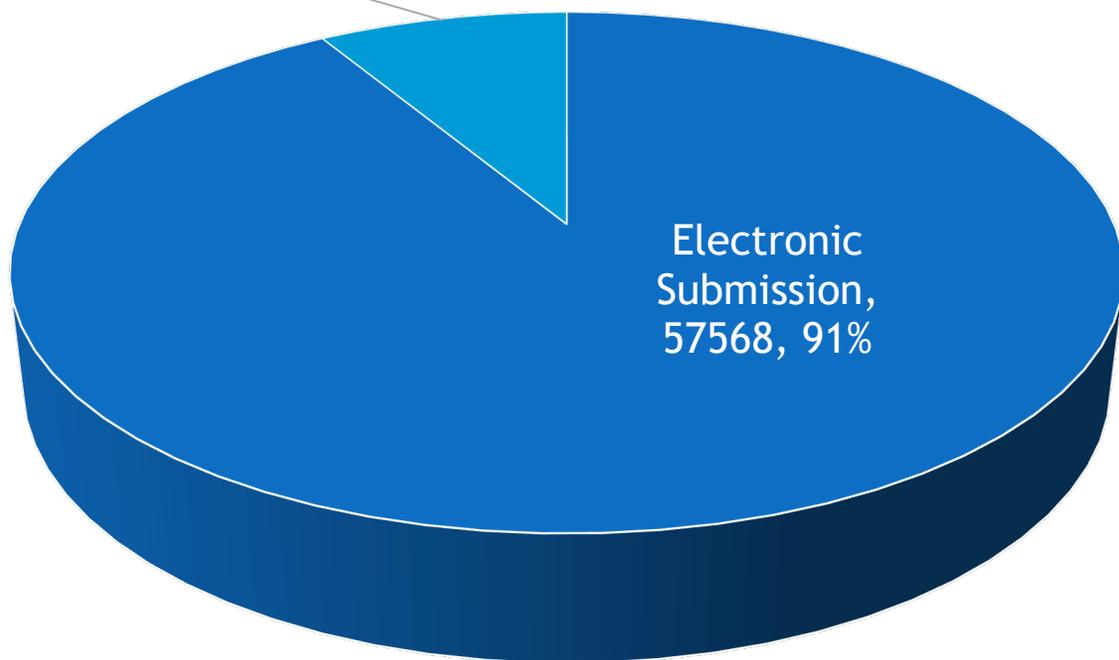
## Number of STRs received from Banks and SVFs between 2019-2022(Until Nov)



# STR Statistics

## Dissemination of Financial Intelligence in 2022 (Until Nov)

Manual Submission,  
5453, 9%



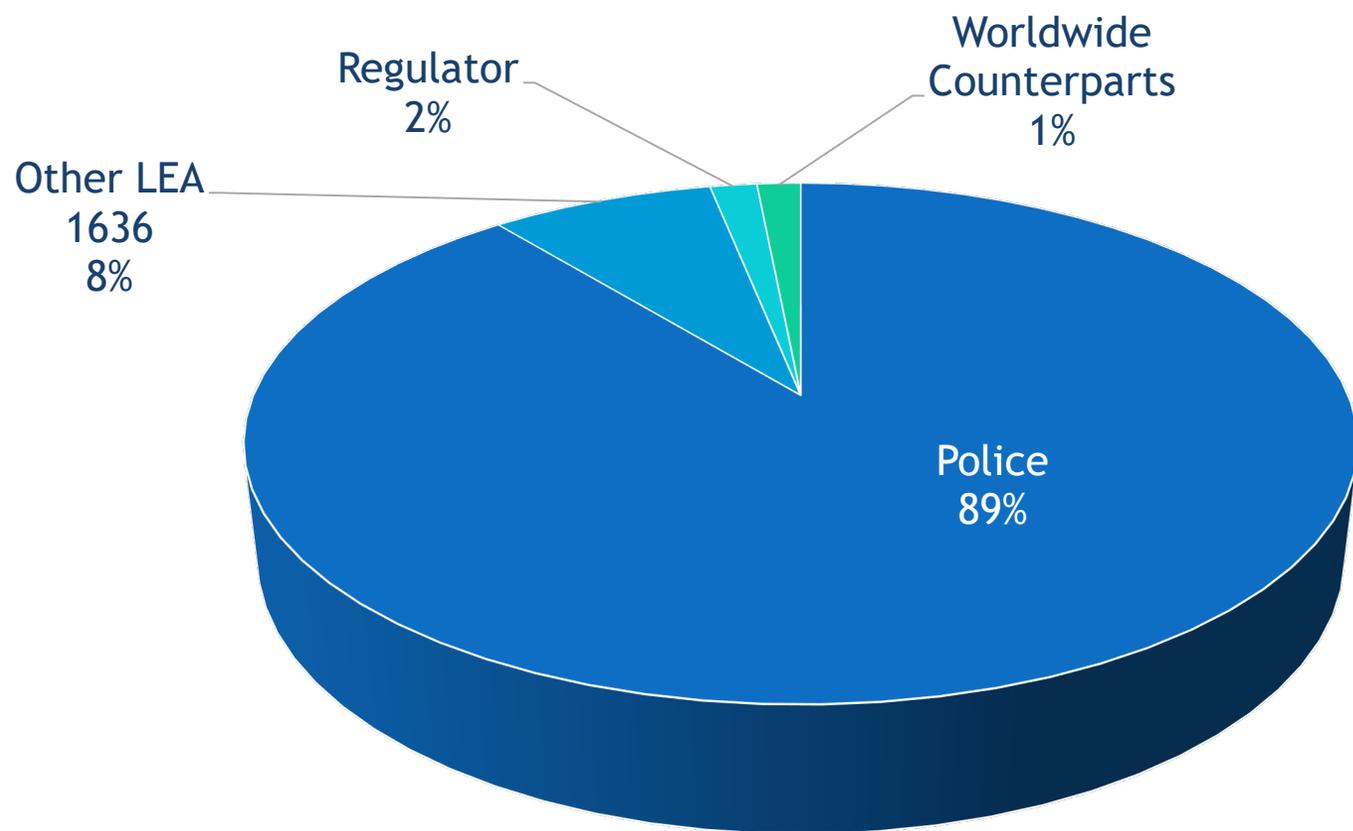
Electronic Submission,  
57568, 91%

- ❑ Encrypted
- ❑ Submission of multiple STRs
- ❑ Shorter processing time
- ❑ Proper record keeping



# STR Statistics

## Dissemination of Financial Intelligence in 2021



◆ STR Statistics

◆ Feedback on STRs

◆ Case Study





# Recommended Structure of STR Narrative

- 1) Triggering Factors
- 2) Background of Subject(s)
- 3) Account and 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

Special Cases with Time Critical Nature:	
* Report Related to Existing Investigation:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Investigation Unit:	DIT 1 XXDIST etc...
Case Reference:	XX RN 20XXXXXX or ADCC XXXX/2020 etc...

Note: If no, please leave it blank)

- ▶ Open source information (news/list of regulatory agencies, etc.)
- ▶ Pattern of suspicious transactions (large transactions/temporary repository of fund, etc.)



# Recommended Structure of STR Narrative

## 2) Background of Subject(s)

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

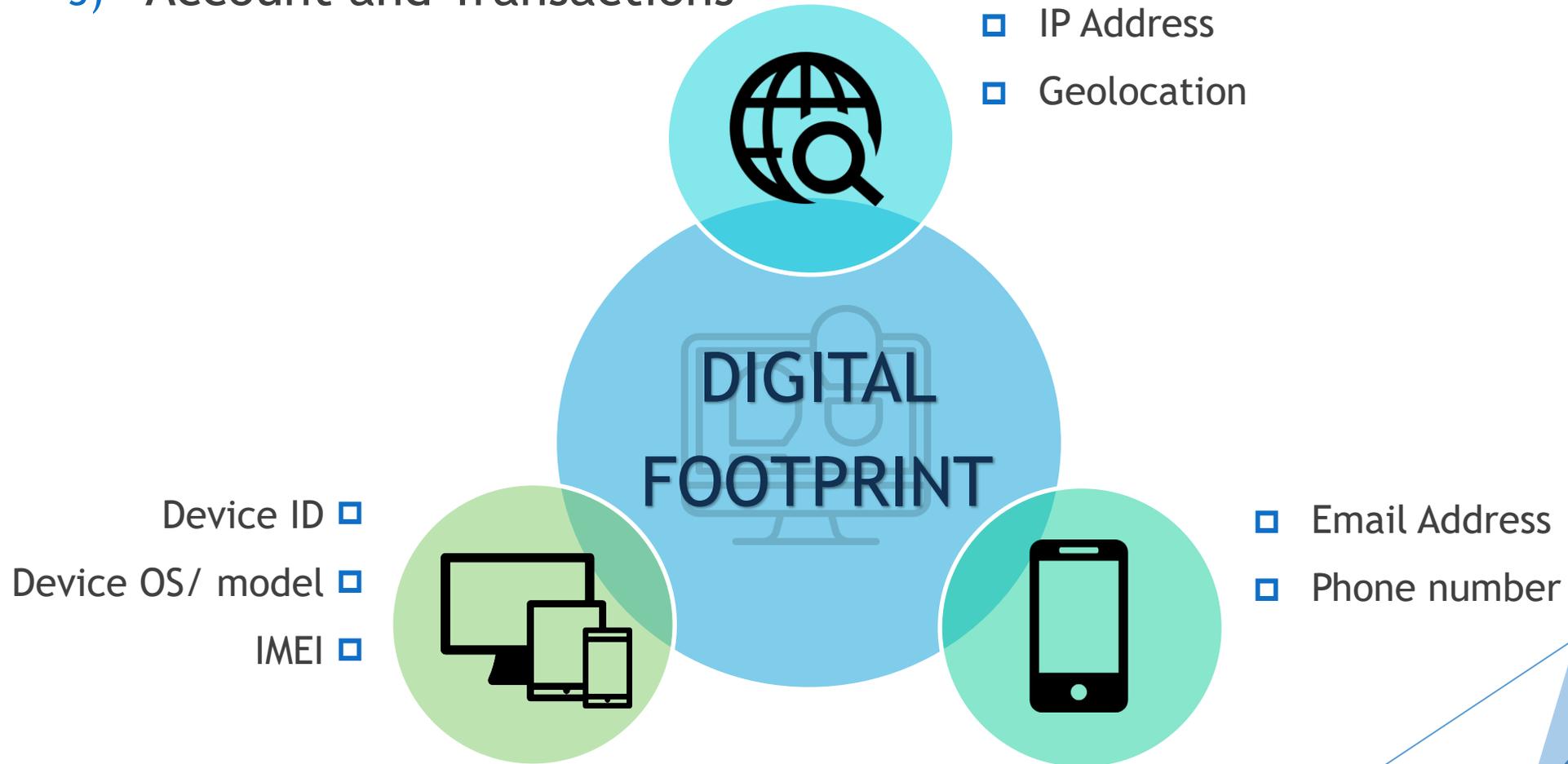
## 3) Account and Transactions

- ▶ Reviewed period
- ▶ Fund movement pattern (sudden change?)
- ▶ Total amount deposited/withdrawn
- ▶ Suspicious transactions

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

# Recommended Structure of STR Narrative

## 3) Account and Transactions



# Recommended Structure of STR Narrative

## 4) Reporting Entities' Enquiries & Open Source Information

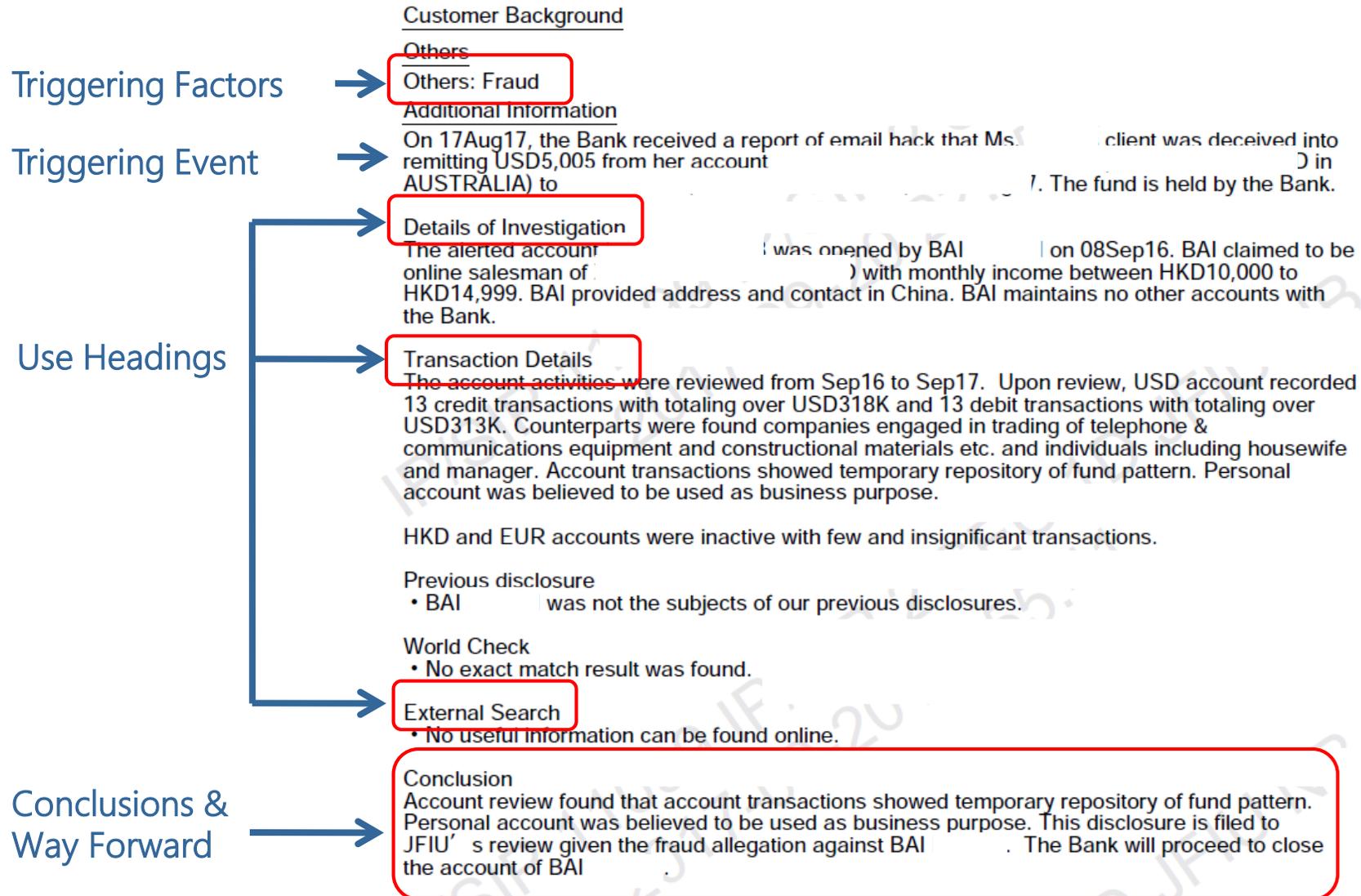
- ▶ Suspicious indicators (KYC queries, world check, etc.)
- ▶ Links of open source information

## 5) Conclusion & Way Forward

- ▶ Conclusion of the report
- ▶ Follow-up actions (Enhanced CDD measure, account closure, etc.)



# Recommended Structure of STR Narrative



# STR - Points to note

- ▶ Triggered by Search Warrant/ enquiry from LEA
  - Case Reference (eg. XX RN 22000100 or LM XXXXX) and OC Case
  - Role of subject (Suspect/ Victim)

Section 50(7)  
Police Force Ordinance  
(Cap. 232)



Information No. ....  
Writ No. ....  
Police Ref.: ██████ RN 12000461

- ▶ Choose the correct Ordinance for Reason for Disclosure (esp. NS Law)

**\*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"/>
National Security Law:	<input type="checkbox"/>



# STR - Points to note

- ▶ Super STR
  - dozens of individuals being reported
  - lack of analysis details
  - unknown linkage between entities
  - any strong evidence of correlation (eg. shared phone/ email/ device)
- ▶ Timely suspension/ closure of account (esp. upon receiving NL)
- ▶ Avoid repetitive reporting



# STR - Points to note

- ▶ Lack of information
  - bank account number of counterparties
  - digital footprint
- ▶ Inconsistent information (eg. balance)
- ▶ Attachment
  - Avoid uploading narrative as attachment, especially scanned document
  - Transaction record in Excel form



- ◆ STR Statistics
- ◆ Feedback on STRs
- ◆ **Case Study**





# Thank You!

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