



Feedback on Suspicious Transaction Reports and Money Laundering Trend

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Financial Intelligence
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- ◆ STR Statistics
- ◆ Feedback on STRs
- ◆ Money Laundering Trend



◆ STR Statistics

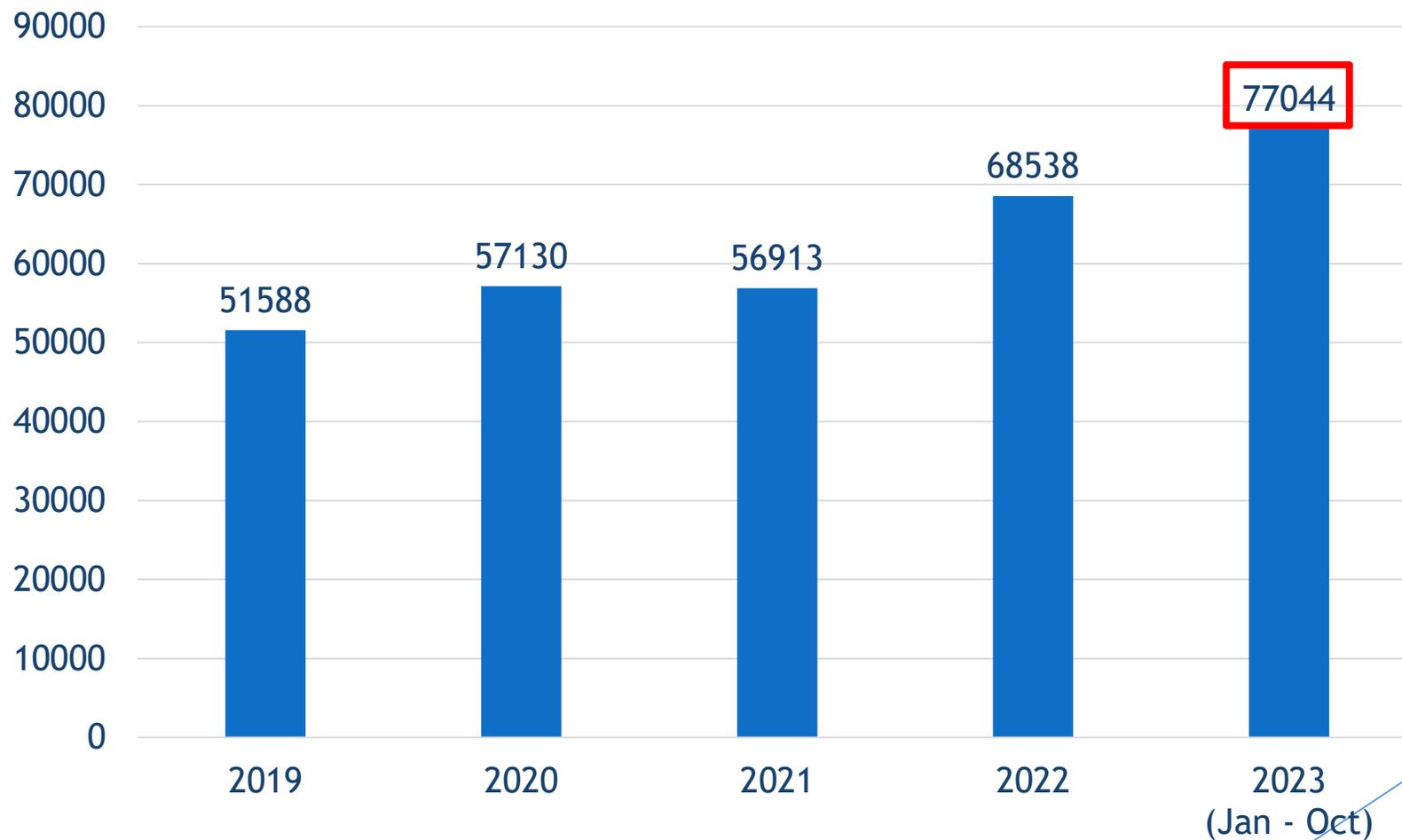
◆ Feedback on STRs

◆ Money Laundering Trend



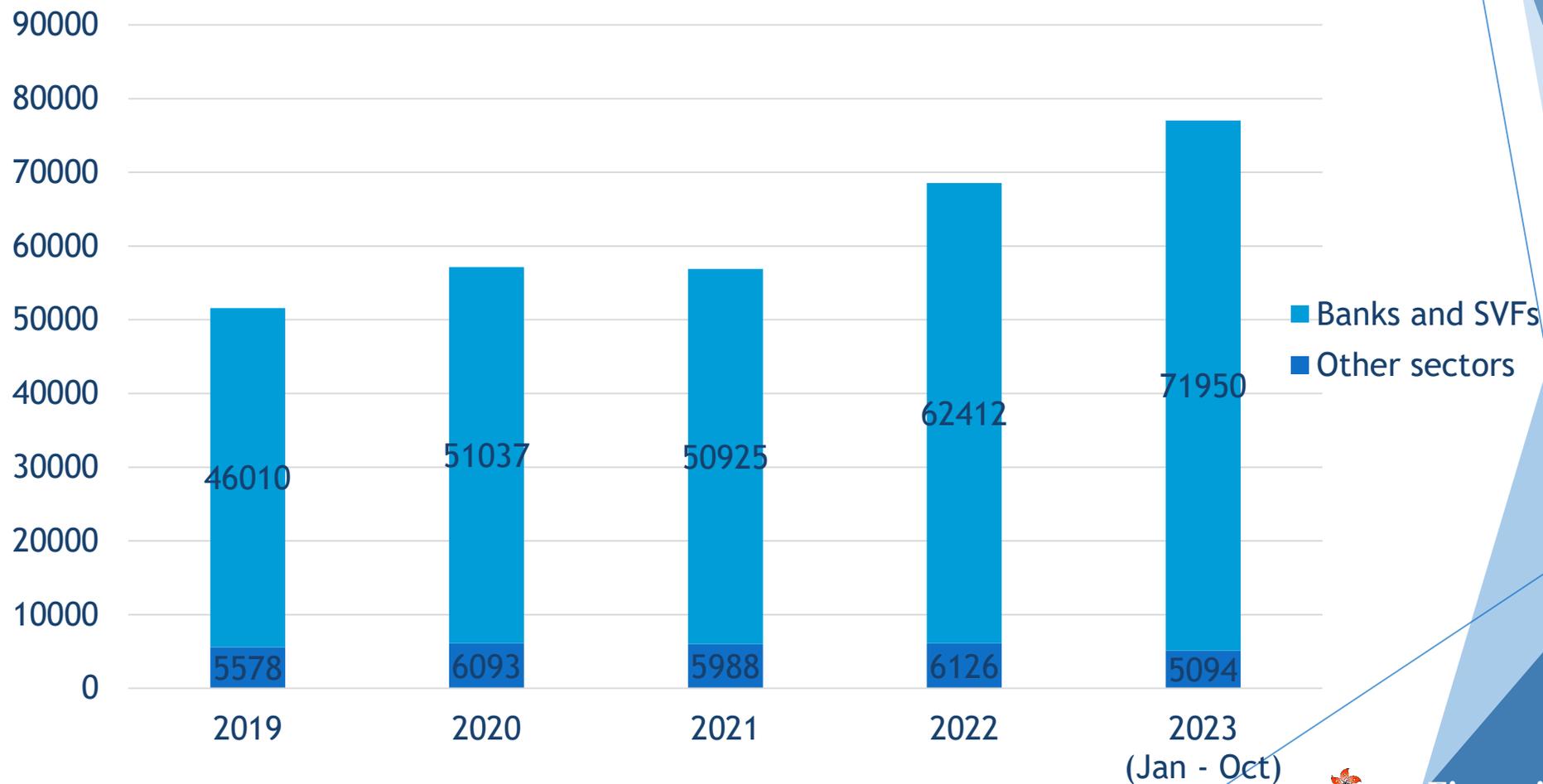
STR Statistics

Number of STRs received from 2019 to Oct 2023



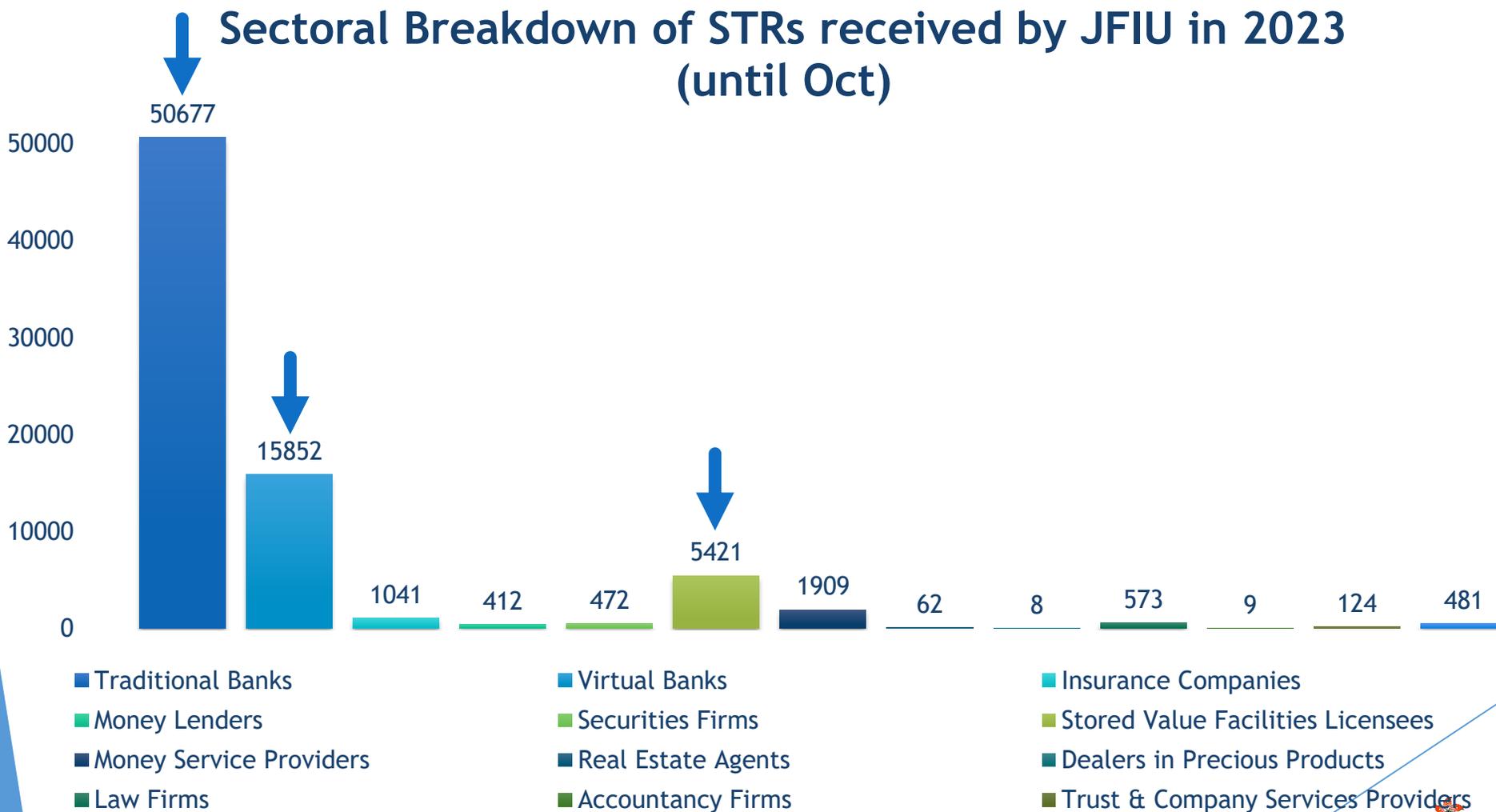
STR Statistics

Number of STRs received from 2019 to Oct 2023



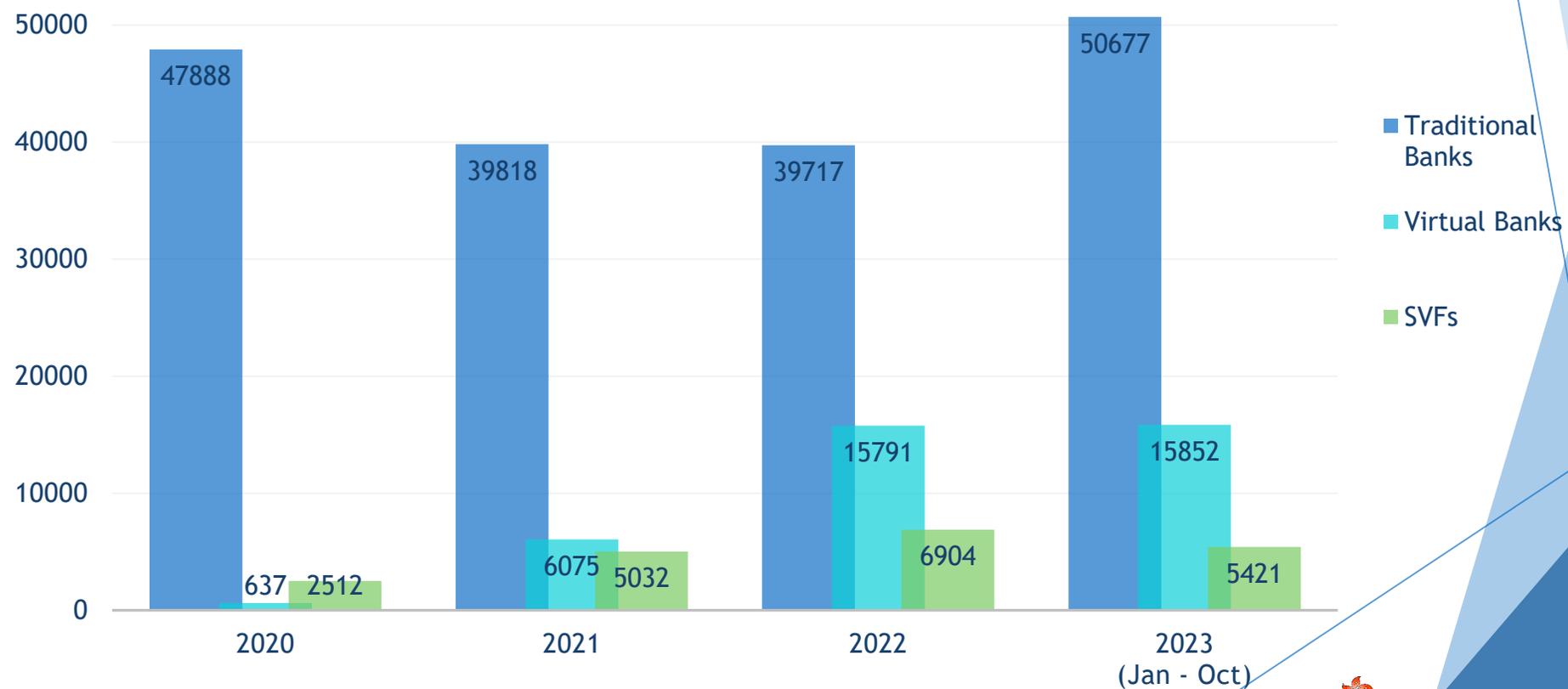
STR Statistics

Sectoral Breakdown of STRs received by JFIU in 2023 (until Oct)



STR Statistics

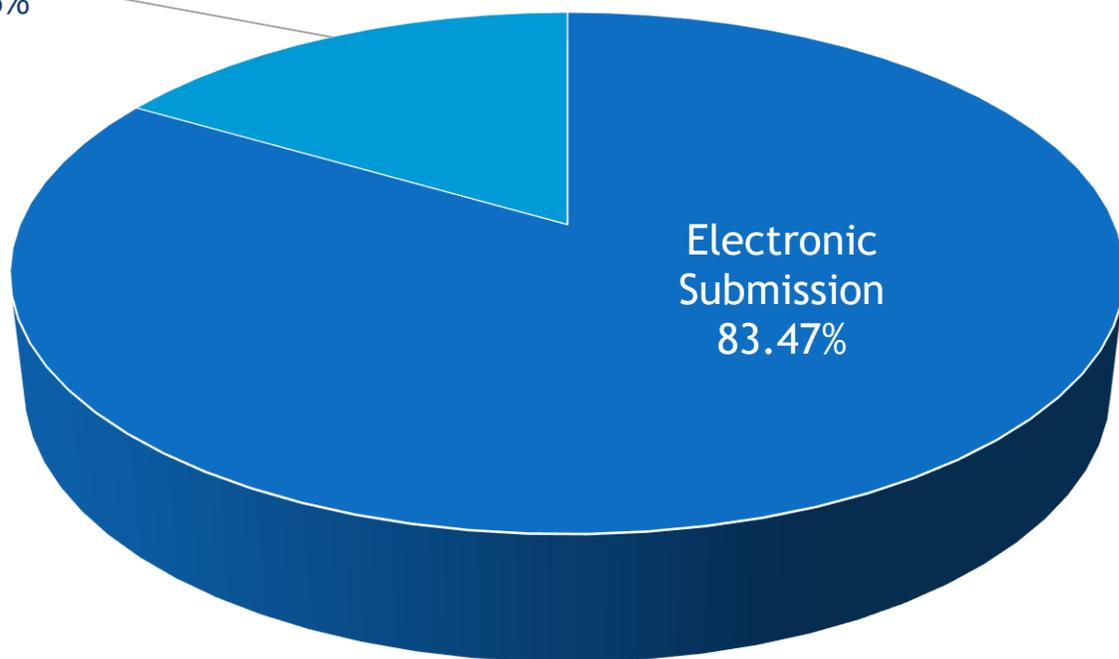
Number of STRs received from Banks and SVFs between 2020-2023(Until Oct)



STR Statistics

Means of Submission of STR in 2022

Manual
Submission
16.53%

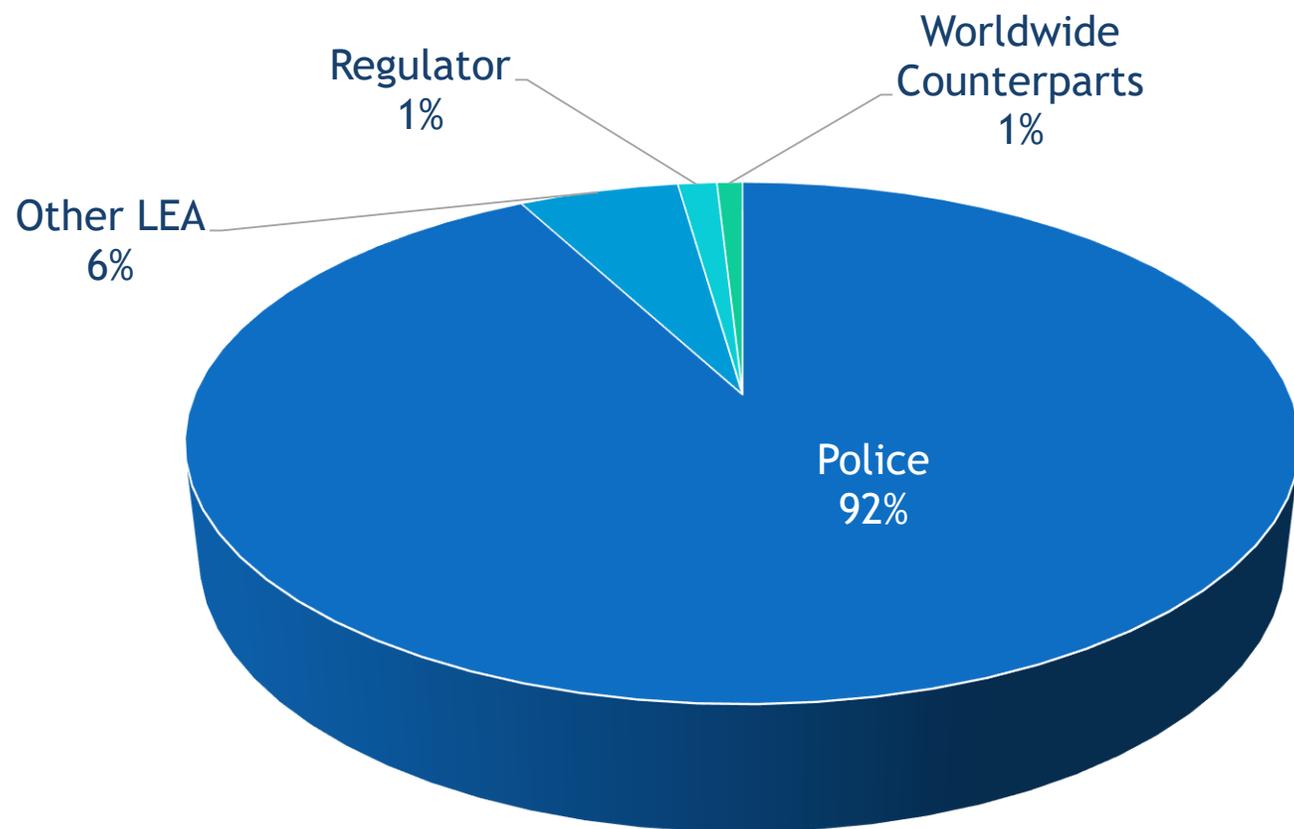


Electronic
Submission
83.47%

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

STR Statistics

Dissemination of Financial Intelligence in 2022



- ◆ STR Statistics
- ◆ Feedback on STRs
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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.

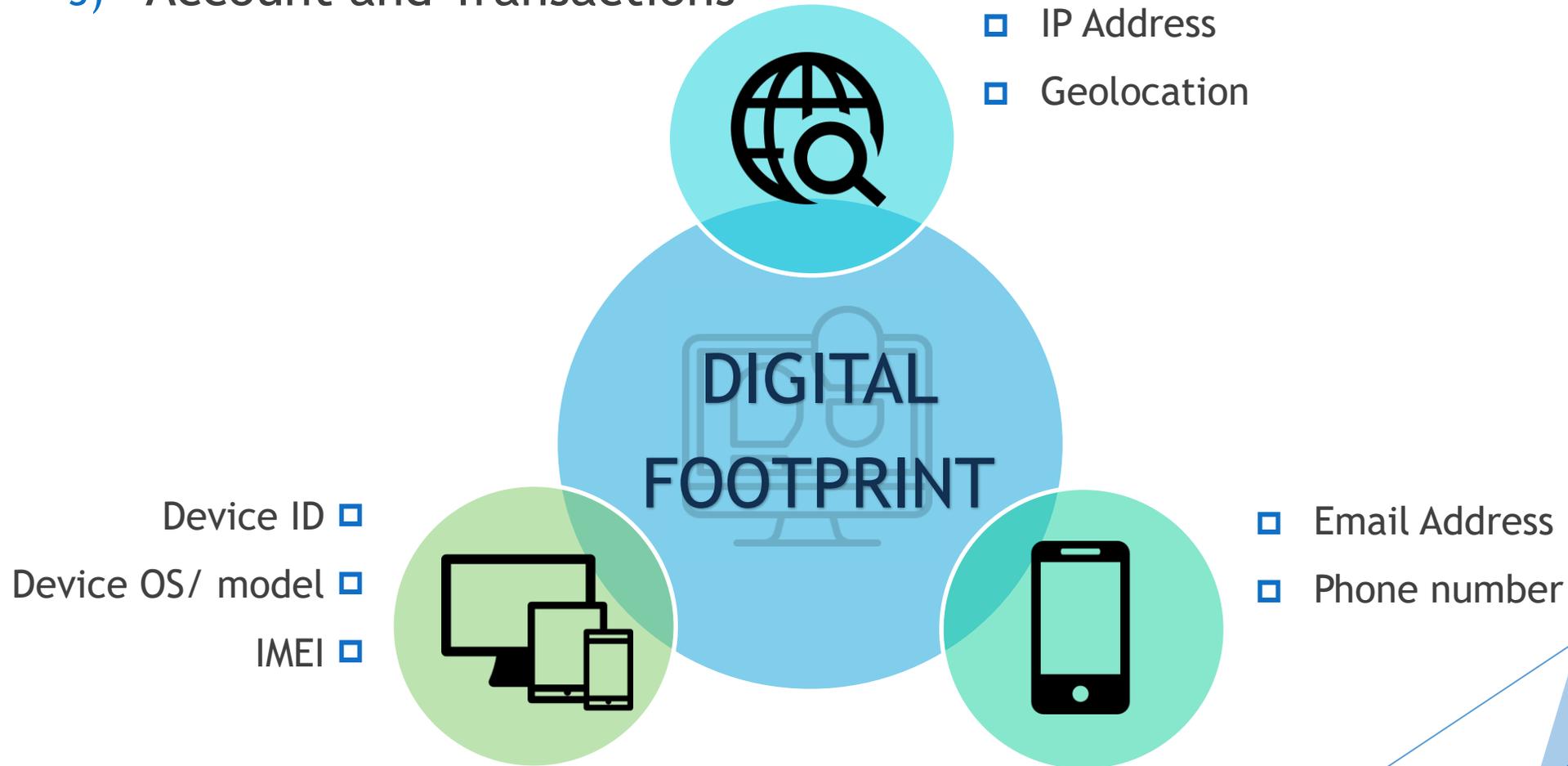
3) Account and Transactions

- ▶ 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="text"/>	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

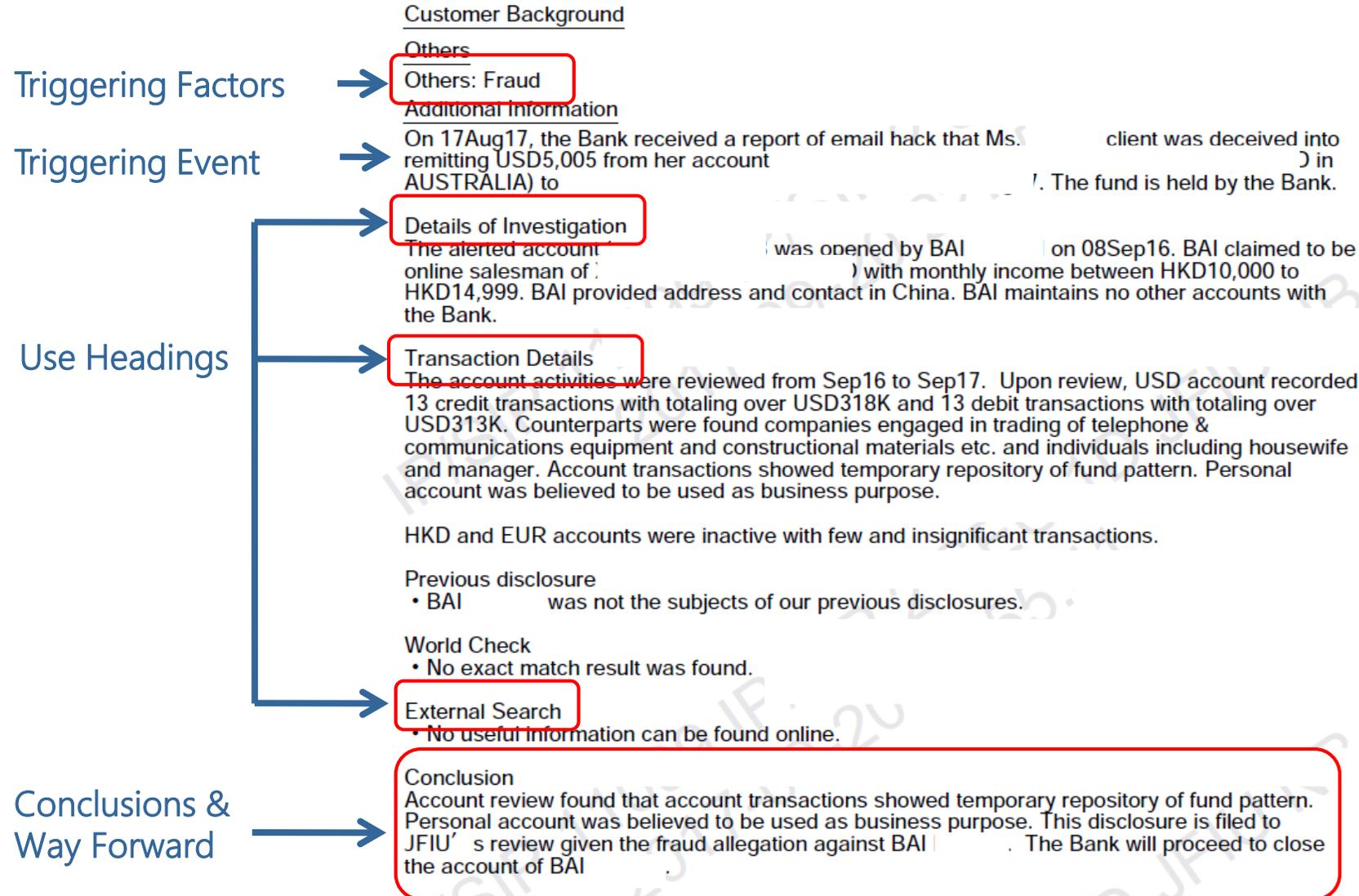
4) Reporting Entities' Enquiries & Open Source Information

- ▶ 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

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

- ▶ Timely suspension/ closure of account (esp. upon receiving NL)
- ▶ Attachment
 - Avoid uploading narrative as attachment, especially scanned document
 - Transaction record in Excel form



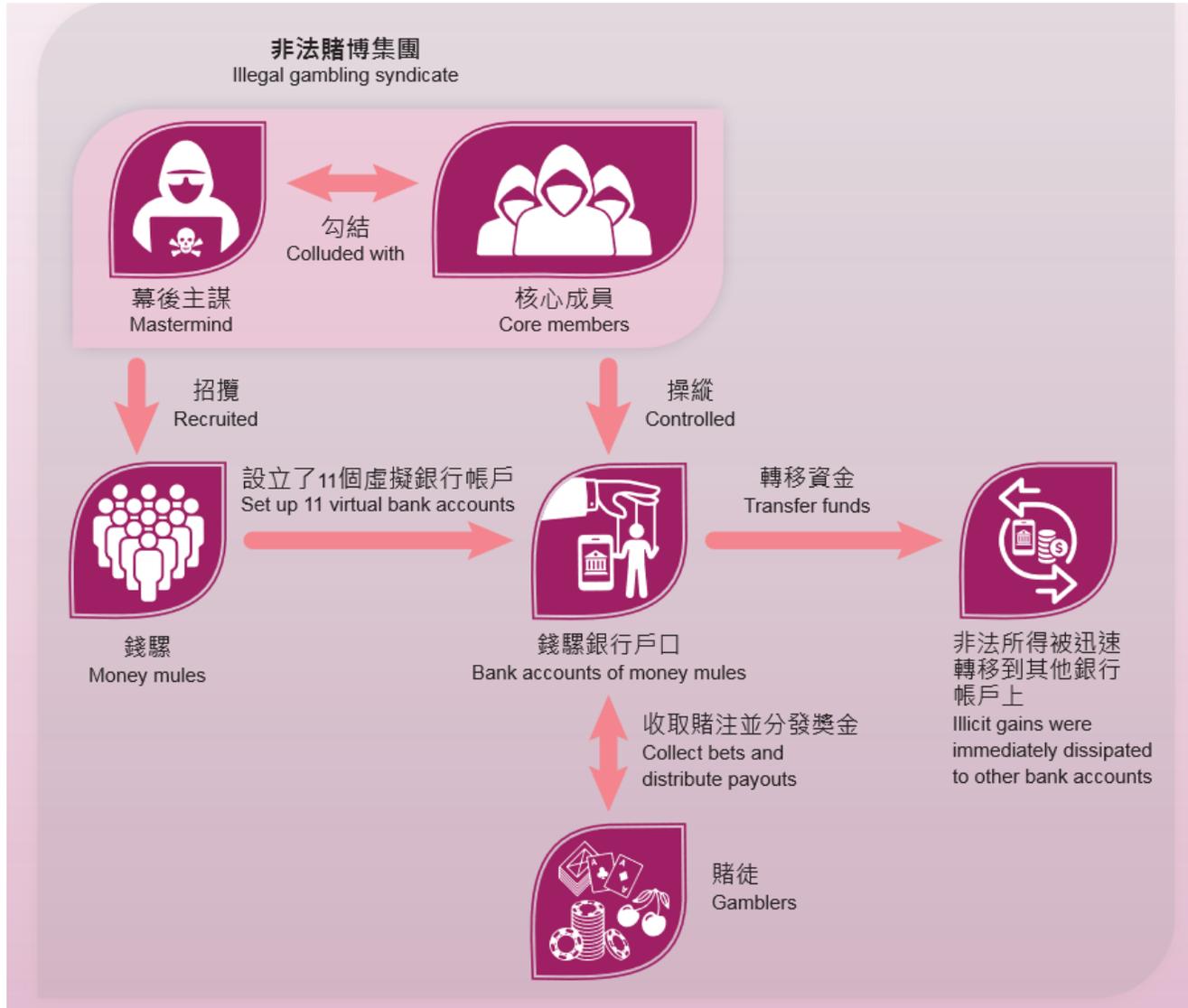
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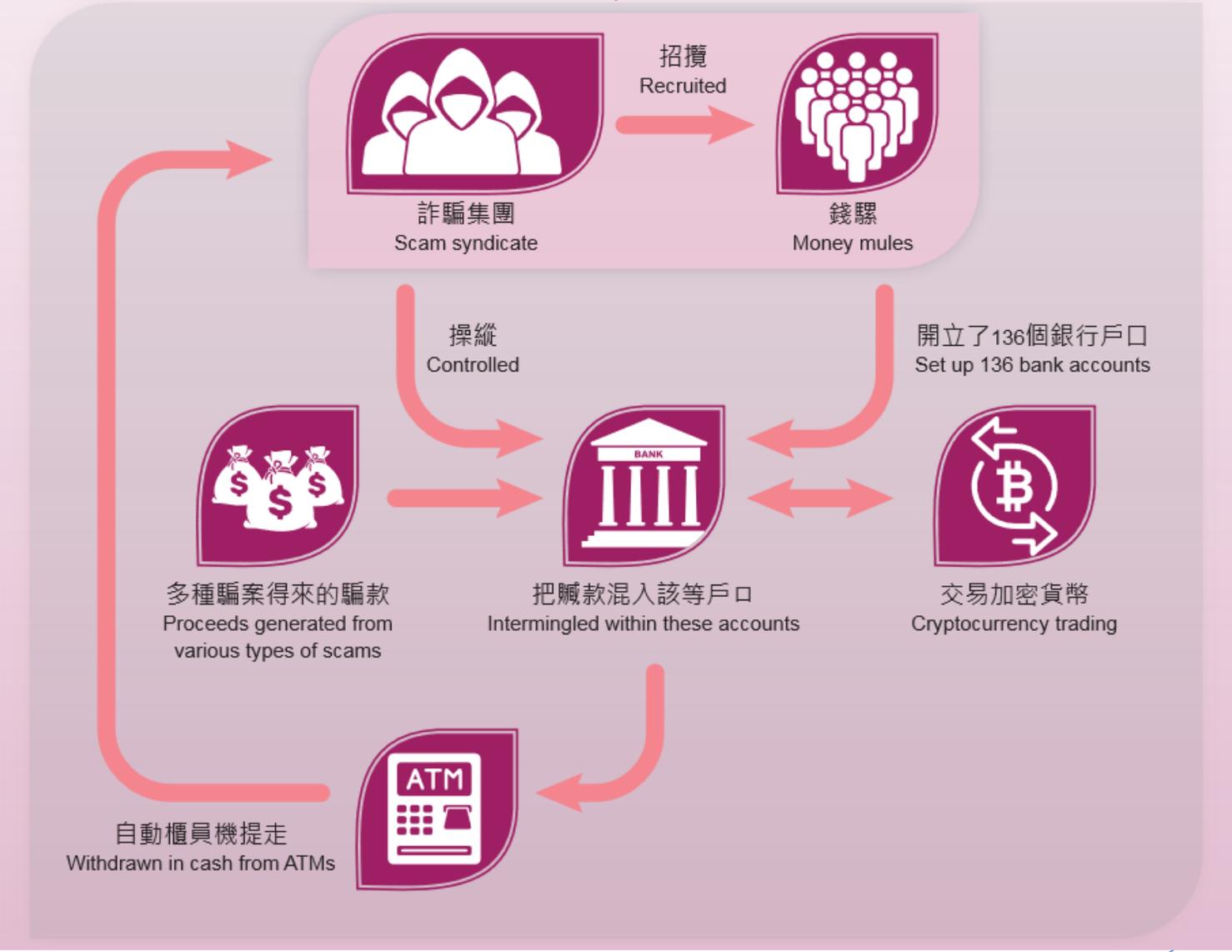
Laundering of Illicit Gambling Proceeds via Bank Accounts



Encashment of Consumption Vouchers via Stored Value Facilities



Laundering of Crime Proceeds via Cryptocurrency Trading Platforms





Thank You!

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