



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: B10/1C
B1/15C

25 April 2013

The Chief Executive
All authorized institutions

Dear Sir/Madam,

Supervisory Measures following Seminars on Anti-Money Laundering

I am writing to follow up on a series of seminars on anti-money laundering and counter-financing of terrorism (AML/CFT) organised by the Hong Kong Monetary Authority (HKMA).

The HKMA held a high-level AML/CFT seminar on 12 April 2013 for the Chief Executive or Alternate Chief Executive of all authorized institutions (AIs) and two technical seminars on 22 and 23 April 2013 respectively for compliance officers of AIs. The presentation materials from the two seminars are at Annex A and B respectively for your reference.

The objective of the seminars was to emphasise and illustrate the importance of maintaining strong and effective AML/CFT controls. At the high-level seminar, Mr Norman Chan, Chief Executive of the HKMA, highlighted amongst other issues the paramount importance for the senior management of AIs to foster a strong risk culture embraced by all levels of staff and to forge good risk management practices in respect of AML/CFT controls.

To follow up on this key message conveyed in the high-level seminar, I am writing to reiterate that the top management, including the Board of Directors in the case of locally incorporated AIs and the regional/global compliance office in the case of foreign bank branches, should explore effective ways to strengthen or reinforce the risk culture of your institution and to take proactive steps to fill all identifiable gaps in respect of AML/CFT controls.

As a first step, we expect that the issues covered in the high-level seminar should be discussed by the Board in the case of locally incorporated AIs and in the regional/global compliance meeting in the case of foreign bank branches. The discussion should focus on identifying concrete actions that can be taken to set an appropriate tone on risk culture regarding AML/CFT and to further translate the institution's risk culture into effective AML/CFT controls. To facilitate the discussion, we will in due course provide you with further guidance on the issues that should be covered in the aforesaid deliberation as well as a template for collecting information on the steps that have been or will be taken by your institution to strengthen AML/CFT controls.

If you have any questions, please contact Mr Stewart McGlynn on 2878 1095 or Ms Joyce Chan on 2878 8281.

Yours faithfully,

Henry Cheng
Executive Director (Banking Supervision)

Encl.