



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref.: G12/230C
B10/15C
B1/15C

27 April 2018

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Amendments to Guideline on Exercising Power to Impose Pecuniary Penalty under s 23(1) of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance

I am writing to inform you that, following consultation with the Hong Kong Association of Banks and stored value facility (SVF) licensees, the Hong Kong Monetary Authority (HKMA) publishes today by notice in the Gazette a revised version of the guideline under section 23(1) of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (AMLO) (Cap. 615) to indicate the manner in which the power to impose a pecuniary penalty under section 21(2)(c) of the AMLO is to be exercised (AMLO Fining Guideline). The revised AMLO Fining Guideline will be effective on 27 April 2018.

In the course of preparing the Guideline on Exercising Power to Order a Pecuniary Penalty under the Payment Systems and Stored Value Facilities Ordinance which will come into operation on 27 April 2018, it has been noted that the AMLO Fining Guideline only refers to how the Monetary Authority (MA) exercises the power to impose a pecuniary penalty on authorized institutions (AIs) and does not reflect that the MA may also exercise the same power in relation to SVF licensees to which Schedule 2 of AMLO applies by virtue of section 5(4) of the AMLO. The HKMA has taken this opportunity to amend the AMLO Fining Guideline for completeness and to clarify how the MA will exercise the power to impose a pecuniary penalty in relation to both AIs and SVF licensees to which Schedule 2 of AMLO applies.

On-line access to the revised AMLO Fining Guideline is available on the HKMA website (<http://www.info.gov.hk/hkma>) and supervisory communication website (<http://www.stet.iclnet.hk>).

If you have any questions relating to this letter, please feel free to contact Ms Cinni Cheung at 2516-6198 or Ms Christine Wong at 2516-7152.

Yours faithfully,

Carmen Chu
Executive Director (Enforcement and AML)

c.c. The Chairperson, The Hong Kong Association of Banks
The Chairman, The DTC Association
FSTB (Attn.: Ms Eureka Cheung)