

Hong Kong has strong framework and effective system for combating money laundering and terrorist financing

The Financial Action Task Force (FATF) has commended Hong Kong for its strong legal foundation and effective system for combating money laundering (ML) and terrorist financing (TF) following a mutual evaluation undertaken by member jurisdictions.

The Mutual Evaluation Report of Hong Kong was examined at the FATF Plenary on June 20 in the United States (US). The Report assesses the compliance and effectiveness of Hong Kong's anti-money laundering and counter-terrorist financing (AML/CTF) regime against the international standards. Hong Kong's system has been assessed to be compliant and effective overall, making it the first jurisdiction in the Asia-Pacific region to have achieved an overall compliant result. So far only five out of 23 assessed jurisdictions have been rated overall compliant by the FATF.

The Report finds that Hong Kong has a strong legal and institutional framework for combating ML and TF, and is particularly effective in the areas of risk identification, law enforcement, asset recovery, counter-terrorist financing and international co-operation.

The Financial Secretary, Mr Paul Chan, said, "The Government welcomes the FATF's recognition of the compliance and effectiveness of Hong Kong's AML/CTF system. It is a proud testament to Hong Kong's commitment to upholding the integrity of the financial system and its reputation as an international financial centre that is safe and clean for doing business."

The Hong Kong delegation attending the FATF scrutiny of the Report was led by the Permanent Secretary for Financial Services and the Treasury (Financial Services), Mr Andrew Wong. "I would like to thank all agencies from the public and private sectors which have contributed to the success of this challenging evaluation process. The assessment result is an affirmation of our community's concerted efforts in safeguarding a robust AML/CTF regime," Mr Wong said.

The FATF is an inter-governmental organisation which sets global standards for combating ML and TF. Comprising 39 major economies of the world, the FATF conducts peer reviews of member jurisdictions regularly to assess their compliance with the international AML/CTF standards under a mutual evaluation process. Hong Kong has been a member of the FATF since 1991. Lasting for over a year, the mutual evaluation was undertaken by an assessment team comprising 10 experts from the FATF and the Asia/Pacific Group on Money Laundering. The Mutual Evaluation Report of Hong Kong was examined by the full FATF membership at its June Plenary held in Orlando, the US. The Report is expected to be published by the FATF in September 2019.

Transcript of remarks by CS and S for S at media session (with video)

Following is the transcript of remarks by the Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, and the Secretary for Security, Mr John Lee, at a media session in the LegCo Complex today (June 26):

Reporter: Secretary, you've been very reluctant to establish an independent inquiry into the clashes between all sides. Is it because you do not want any officers or any public officials being held accountable for this series of events? And also, we've obtained an internal speaking note by the Chief Executive which says to safeguard the dignity of the Chief Executive, ä, - æ-#æ~`ç¶è·ç%¹é!-å°Šåš´. Could you explain what does this exactly mean? Is that because the Chief Executive would not be subject to any further calls for her to step down?

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Chief Secretary for Administration: First of all, I think we have to consider the very fact that we have an established mechanism in Hong Kong. First of all, the CAPO (Complaints Against Police Office). The CAPO is the first tier, followed by the Independent Police Complaints Council, which is entirely independent, entirely statutory and has a well-tried mechanism. I think we should use the existing mechanism to pursue the matter. It's more appropriate to do so in the first place.

Reporter: Chief Secretary you have not answered my second question, as to what does it mean by safeguarding the dignity of the Chief Executive? And are you essentially saying no political official should go because of this series of controversies?

Chief Secretary for Administration: I'm not in a position to comment on that note which you mentioned. The CE has already made a very sincere apology and stressed in no uncertain terms that the current-term administration will continue to do our very, very best to serve the community. We've got a heavy agenda in terms of improving the economy, propelling Hong Kong forward and also enhancing livelihood across the board. So, it's very important for us to re-launch Hong Kong together.

(Please also refer to the Chinese portion of the transcript.)

Manager and operators fined for illegal club operations

Three woman were fined from \$1,000 to \$6,000 at the Kowloon City Magistrates' Courts today (June 26) for contravening the Clubs (Safety of Premises) Ordinance.

The courts heard that in November last year, officers from the Office of the Licensing Authority (OLA) of the Home Affairs Department conducted inspections at two clubs on Argyle Street in Mong Kok and Dundas Street in Yau Ma Tei, which had been operating with certificates of compliance (CoCs).

During the investigation in the club on Argyle Street, the OLA officers posed as customers and patronised the club for food and drinks without being asked to show their membership status or being invited to join the club as members. Also, the number of people at the club exceeded the maximum allowable capacity as stipulated in the CoC. Conditions 6 and 19 of the CoC were breached. The woman, being the CoC holder of the club, was charged with contravening section 21(2) of the Ordinance.

OLA officers found that the club on Dundas Street had been operating under a name other than the one indicated on the CoC on the day of inspection. The women, being the manager of the club and the CoC holder of the club, were charged with contravening section 21(c) of the Ordinance.

A spokesman for the department reminded all CoC holders to comply with the conditions as stipulated therein. Enforcement action will continue to be taken against illegal club operations.

Managers of unlicensed guesthouses fined

A man and a woman were fined \$8,000 and \$12,000 at the Kowloon City Magistrates' Courts today (June 26) for contravening the Hotel and Guesthouse Accommodation Ordinance.

The courts heard that in December last year, officers of the Office of the Licensing Authority (OLA), the Home Affairs Department, inspected two suspected unlicensed guesthouses on Portland Street in Mong Kok and Nam Cheong Street in Sham Shui Po. During the inspections, the OLA officers posed as lodgers and successfully rented rooms in these guesthouses on a daily basis.

According to the OLA's records, these guesthouses did not possess licences under the Ordinance on the days of inspection. The man and woman responsible for managing the premises were charged with contravening section 5(1) of the Ordinance.

A department spokesman stressed that operating or managing an unlicensed guesthouse is a criminal offence and will lead to a criminal record. Upon conviction, the offender is liable to a maximum fine of \$200,000 and two years' imprisonment.

The spokesman appealed to anyone with information about suspected unlicensed guesthouses to report it to the OLA through the hotline (Tel: 2881 7498), by email (hadlaenq@had.gov.hk), by fax (2504 5805) using the report form downloaded from the OLA website (www.hadla.gov.hk), or through the mobile application "Hong Kong Licensed Hotels and Guesthouses".

Tender awarded for site in Kai Tak

The Lands Department announced today (June 26) that the tender for a site, New Kowloon Inland Lot No. 6553 at Kai Tak Area 4C Site 1, Kai Tak, Kowloon, has been awarded to the highest tenderer, Fame Well Creation Limited (parent company: China Resources Land Limited and Poly Property Group Co., Limited), on a 50-year land grant at a premium of \$12,916,000,000.

The tenderers, other than the successful tenderer, in alphabetical order, with the name of the parent company where provided by the tenderer in brackets, were:

- (1) Centenary Investments Limited (CK Asset Holdings Limited);
- (2) Century Opal Limited (Sun Hung Kai Properties Limited);
- (3) Jasmine Lane Investments Limited (China Overseas Land & Investment Limited and Wheelock Properties Limited);
- (4) Norminster Limited (Kerry Properties Limited); and
- (5) Sky Notion Limited (K. Wah International Holdings Limited and Sino Land Company Limited).

New Kowloon Inland Lot No. 6553 has a site area of about 9 481 square metres and is designated for non-industrial (excluding office, godown, hotel and petrol filling station) purposes. The minimum gross floor area is 39 821 sq m and the maximum gross floor area that may be attained is 66 367 sq m.