

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.