

**An Advisory Guideline**  
**on**  
**Preventing the Misuse of Charities for**  
**Terrorist Financing**

Narcotics Division

Security Bureau

Updated in September 2018

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# Chapter 1

## Introduction

1.1 Charities complement the government and business sectors in the provision of essential services, comfort and hope to those in need. However, it has been unfortunately revealed that some overseas charities have been exploited by terrorists and terrorist organisations to raise and move funds, provide logistical support, encourage terrorist recruitment or otherwise support terrorist organisations and operations. There have also been cases where terrorists create “sham” charities or engage in fraudulent fundraising for these purposes. Such misuses not only facilitate terrorist activities but also undermine donor confidence and jeopardise the integrity of charities.

1.2 Most charities in Hong Kong are highly localised, i.e. they only receive government grants or local donations, or only serve the local community. The risk of them being abused for terrorist purposes is low as assessed in the *Hong Kong Money Laundering and Terrorist Financing Risk Assessment Report*<sup>1</sup>. Despite the low risk, to mitigate any possible threat and to preserve the integrity of our charity sector, we need to join the global fight against terrorism and be vigilant against any potential misuse. Under no circumstances should funds donated to help the needy be funnelled instead to support terrorist activities.

1.3 The Financial Action Task Force (“FATF”)<sup>2</sup> is an inter-governmental body that sets international standards on combating money laundering (“ML”) and terrorist financing (“TF”). FATF has developed 40 Recommendations based on which the international community has been strengthening efforts to combat ML and TF. Hong Kong as a member of FATF has the obligation to observe the Recommendations.

1.4 FATF recognises the vital importance of non-profit organisations (“NPOs”) in providing charitable services. Of FATF’s 40 Recommendations,

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<sup>1</sup> Available at: [www.fstb.gov.hk/fsb/aml/en/doc/hk-risk-assessment-report\\_e.pdf](http://www.fstb.gov.hk/fsb/aml/en/doc/hk-risk-assessment-report_e.pdf).

<sup>2</sup> FATF was established in 1989. Its current membership comprises 35 member jurisdictions and two regional organisations. Hong Kong has been an FATF member since 1991.

Recommendation 8<sup>3</sup>, as set out below, requires FATF members to protect NPOs, including charities, from TF abuse –

*Countries should review the adequacy of laws and regulations that relate to non-profit organisations which the country has identified as being vulnerable to terrorist financing abuse. Countries should apply focused and proportionate measures, in line with the risk-based approach, to such non-profit organisations to protect them from terrorist financing abuse, including:*

- (a) by terrorist organisations posing as legitimate entities;*
- (b) by exploiting legitimate entities as conduits for terrorist financing, including for the purpose of escaping asset freezing measures; and*
- (c) by concealing or obscuring the clandestine diversion of funds intended for legitimate purposes to terrorist organisations.*

1.5 FATF has elucidated that “NPO” refers to a legal person or arrangement or an organisation that primarily engages in raising or disbursing funds for purposes such as charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types of “good works”. In the context of Hong Kong, NPOs essentially refer to charities.

1.6 This Guideline, first drawn up in 2007, has been updated in 2018 taking account of FATF’s latest reference on Recommendation 8 and other relevant information. It aims to deepen awareness among charities in Hong Kong about their potential vulnerabilities to TF abuse and risks as set out in FATF’s Recommendation 8, and provides practical guidance to assist charities in Hong Kong to develop or strengthen practices and procedures to protect themselves from TF abuse. It is advisable to adopt this Guideline. Depending on their modes of operation, activities and characteristics, individual charities may adopt other further measures to safeguard themselves against TF abuse.

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<sup>3</sup> Recommendation 8 was previously Special Recommendation VIII in 2006.

# Chapter 2

## Terrorist Financing

### Understanding the Risks

#### *What is TF?*

2.1 In simple terms, TF is the financial support in any form, of terrorism or of those who encourage, plan, or engage in terrorism. Terrorists require funds to carry out acts of terrorism and TF provides the funds needed. Sources of TF may be legitimate or illicit. Charities could be vulnerable to abuse by terrorists for a variety of reasons. Charities enjoy the trust of the public, have access to considerable sources of funds, and may be cash-intensive. Furthermore, some charities have a global presence that provides a framework for national and international operations and financial transactions, often within or near those areas that are most exposed to terrorist activity. Terrorist organisations may take advantage of these or other characteristics to infiltrate the charities sector and misuse funds and operations to cover for or support terrorist activity.

#### *The International Context*

2.2 The risks of NPOs in other jurisdictions being abused to move funds to terrorist organisations have been well recognised by FATF and the international community. In FATF's *Risk of Terrorists Abuse in Non-profit Organisations*<sup>4</sup> published in 2014, real cases from 14 countries were analysed and five categories of abuse of NPOs were identified –

- (a) **diversion of funds:** actors inside NPOs or external actors such as foreign partners diverting the NPOs' funds to support terrorists and terrorist organisations;
- (b) **affiliation with a terrorist entity:** NPOs or directing officials knowingly or unknowingly maintaining an affiliation with a terrorist or terrorist organisation, which can result in NPOs being abused for multiple purposes, including general logistical support to the terrorist or terrorist organisation;

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<sup>4</sup> Available at: [www.fatf-gafi.org/media/fatf/documents/reports/Risk-of-terrorist-abuse-in-non-profit-organisations.pdf](http://www.fatf-gafi.org/media/fatf/documents/reports/Risk-of-terrorist-abuse-in-non-profit-organisations.pdf).

- (c) **support for recruitment:** NPOs being abused to provide support to the recruitment efforts by terrorists or terrorist organisations;
- (d) **abuse of programming:** NPO programmes being abused by terrorists or terrorist organisations at the point of delivery, despite the legitimate flow of resources; and
- (e) **false representation or sham NPOs:** terrorists or terrorist organisations start “sham” NPOs or falsely represent themselves as agents of legitimate NPOs in order to deceive donors into providing support.

2.3 The amounts of funds involved in TF are not always large and the associated transactions may not necessarily be complex.

#### *Hong Kong’s Context*

2.4 For Hong Kong, the *Hong Kong Money Laundering and Terrorist Financing Risk Assessment Report* has shown that there has been no report of NPOs or charities in Hong Kong being misused for TF purposes, or found to sympathise with or condone terrorism, or linked to known or suspected terrorist groups. There has been no intelligence and evidence suggesting that NPOs or charities in Hong Kong are being exploited for raising or moving funds for TF, or that “sham” NPOs linked to terrorists have entered the sector. Despite such low risk in general, charities operating and raising funds in Hong Kong, for the purpose of supporting humanitarian services in conflict zones or terrorism-afflicted regions outside Hong Kong, due to the nature and location of the services, could be relatively more susceptible to TF risks.

2.5 This assessment however does not rule out the potential vulnerabilities of other types of charities in Hong Kong to TF. All charities should maintain a persistent vigilance against potential TF abuse. Chapter 3 sets out best practices to assist charities to develop or strengthen measures and procedures to mitigate TF risks.

## Understanding the Law

2.6 The law in Hong Kong criminalises TF activities. The United Nations (Anti-Terrorism Measures) Ordinance (“UNATMO”) (Cap. 575) implements relevant United Nations Security Council Resolutions in preventing and suppressing TF and criminalising the wilful provision or collection of funds for terrorism. The major provisions are as follows –

- (a) section 7 prohibits a person from providing or collecting, by any means, directly or indirectly, any property (i) with the intention that the property be used; or (ii) knowing that the property will be used, in whole or in part, to commit terrorist act(s) (whether or not the property is actually so used);
- (b) section 8 prohibits a person from (i) making available, by any means, directly or indirectly, any property or financial (or related) services to or for the benefit of a person knowing that, or being reckless as to whether, the person is a terrorist or terrorist associate, except under the authority of a licence granted by the Secretary for Security; or (ii) collecting property or soliciting financial (or related) services, by any means, directly or indirectly, for the benefit of a person knowing that, or being reckless as to whether, the person is a terrorist or terrorist associate;
- (c) section 8A prohibits a person from, except under the authority of a licence granted by the Secretary for Security, directly or indirectly, dealing with any property knowing that, or being reckless as to whether, the property is (i) specified terrorist property; (ii) wholly or jointly owned or controlled, directly or indirectly, by a specified terrorist or terrorist associate; or (iii) held by a person on behalf of, or at the direction of, a specified terrorist or terrorist associate; and
- (d) Section 11L prohibits any person from providing or collecting, by any means, directly or indirectly, any property (i) with the intention that the property will be used; or (ii) knowing that the property will be used, in whole or in part, to finance the travel of any person between states for a specified purpose (whether or not the property is actually so used). A “specified purpose” means (i) the perpetration, planning or preparation of, or participation in, terrorist act(s) (even if no terrorist act actually occurs); or (ii) the provision or receiving of training that is in connection with the perpetration, planning or preparation of, or participation in, terrorist act(s) (even if no terrorist act actually occurs as a result of the training).

The maximum penalty for breaching sections 7, 8 or 8A is a fine (without cap) and imprisonment for 14 years. The maximum penalty for breaching section 11L is a fine (without cap) and imprisonment for seven years.

2.7 Section 12 of UNATMO requires any person who knows or suspects that any property is terrorist property<sup>5</sup> to disclose to the Joint Financial Intelligence Unit (“JFIU”)<sup>6</sup> the information or other matter, (i) on which the knowledge or suspicion is based; and (ii) as soon as is practicable after that information or other matter comes to the person’s attention. Such disclosure is commonly referred to as filing a “suspicious transaction report” (“STR”). The maximum penalty for failure to file an STR is a level 5 fine (HKD 50,000) and imprisonment for three months. Chapter 4 sets out the STR requirements.

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<sup>5</sup> Under UNATMO, “terrorist property” means -  
(a) the property of a terrorist or terrorist associate; or  
(b) any other property that -  
(i) is intended to be used to finance or otherwise assist the commission of a terrorist act; or  
(ii) was used to finance or otherwise assist the commission of a terrorist act.

<sup>6</sup> JFIU is jointly operated by the Hong Kong Police Force and the Customs and Excise Department at the Police Headquarters. It was set up in 1989 to receive and analyse STRs, and to disseminate the same to relevant units for investigation.



# Chapter 3

## Best Practices against Terrorist Financing

### Risk Assessment

3.1 Chapter 2 has mentioned that charities in Hong Kong generally face a low level of TF risks. This notwithstanding, it remains important for charities to understand the potential TF risks that they may face and take appropriate mitigation measures, taking account of the activities they carry out, how and where the activities are carried out, and the nature of potential TF risks in particular circumstances. It is advisable for charities to conduct their own internal risk assessments, especially before working in a new environment or with new partners. Such assessments help mitigate potential TF risks<sup>7</sup>.

### Risk Mitigation

3.2 Good governance is the cornerstone of an effective anti-TF framework for charities. For good governance, the key principles are<sup>8</sup> –

- (a) focusing on the organisation's purpose and on outcomes for citizens and service users;
- (b) performing effectively in clearly defined functions and roles;
- (c) promoting values for the whole organisation and demonstrating the values of good governance through behaviour;
- (d) taking informed, transparent decisions and managing risk;

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<sup>7</sup> See paragraph 48 of FATF's Best Practice Paper on *Combating the Abuse of Non-Profit Organisations* published in June 2015. Available at: [www.fatf-gafi.org/media/fatf/documents/reports/BPP-combating-abuse-non-profit-organisations.pdf](http://www.fatf-gafi.org/media/fatf/documents/reports/BPP-combating-abuse-non-profit-organisations.pdf).

<sup>8</sup> See *Guide to Corporate Governance for Subvented Organisations* issued by the Efficiency Unit (now the Efficiency Office) of the Government in June 2015. Available at the Social Welfare Department's website at: [www.swd.gov.hk/en/index/site\\_ngo/](http://www.swd.gov.hk/en/index/site_ngo/).

- (e) developing the capacity and capability of the board to be effective; and
- (f) engaging stakeholders and making accountability real.

3.3 FATF advises that robust internal governance practices for charities can be grouped into four categories – organisational integrity, partner relationships, financial transparency and accountability, and programme planning and monitoring. Carrying out proper due diligence on the individuals and organisations receiving money from, giving money to, or working closely with the charities is also important. Due diligence is the range of practical steps that need to be taken by charities so that they are reasonably assured of the provenance of the funds given to them, confident that they know the people and organisations they work with, and able to identify and manage potential TF risks. Proper due diligence is dependent upon the circumstances and contexts of individual charities and the environment in which they operate<sup>9</sup>.

3.4 Government departments concerned have published a series of advisory guidelines on good governance and good practices of NPOs and charities as available at the Social Welfare Department's website<sup>10</sup> –

#### Good corporate governance

- (a) ***Guide to Corporate Governance for Subvented Organisations***, intended to help board members and senior executives of these organisations (including charities). By setting out the principles and best practices relating to corporate governance, advising on matters that have raised concern, and providing checklists, the Guide helps organisations to assess their current performance and decide whether changes need to be made and what these should be. The goal is to help sustain public trust in these organisations;

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<sup>9</sup> See paragraphs 49, 50 and 57 of FATF's Best Practice Paper on *Combating the Abuse of Non-Profit Organisations* published in June 2015.

<sup>10</sup> Available at: [www.swd.gov.hk/en/index/site\\_ngo/](http://www.swd.gov.hk/en/index/site_ngo/).

- (b) ***Lump Sum Grant Subvention System Best Practice Manual for Non-governmental Organisations***, aiming at encouraging non-governmental organisations (including charities) under the Lump Sum Grant Subvention System to enhance their governance through financial management, human resource management, corporate governance and accountability;

#### Good practice in service management

- (c) ***Best Practice Checklist on Governance and Internal Control in Non-governmental Organisations***, providing a user friendly directory of measures which help non-governmental organisations (including charities) foster good governance and best practices in respect of integrity management, internal control, financial management, procurement, staff administration, and management of maintenance works. Non-governmental organisations are advised to adapt and adopt the governance structure and good practices recommended in the Checklist to suit their operational needs and resource capabilities;
- (d) ***Best Practice Checklist on Strengthening Integrity and Accountability – Government Funding Schemes Grantee’s Guidebook***, aiming at providing grantees with a practical set of guidelines in utilising funds for the intended purposes, covering procurement of goods and services, recruitment and management of project staff, the associated financial and accounting controls, etc. Since procedural controls will only be most effective when the people responsible for their implementation adhere to a high standard of integrity, the Checklist has provided particular guidance on integrity management;

#### Good practice in fund-raising

- (e) ***Good Practice Guide on Charitable Fund-raising***, providing best practices covering donors’ rights, fund-raising practices and financial accountability for adoption by charities to enhance transparency and accountability of charitable fund-raising activities;

- (f) ***Guidance Note on Internal Financial Controls for Charitable Fund-raising Activities***, proposing basic controls to be considered by charities with a view to ensuring that the income generated from charitable fund-raising activities is spent for the designated purpose and that such income and expenditure is properly documented; and
- (g) ***Best Practice Checklist on Management of Charities and Fund-raising Activities***, aiming at providing a practical guide on good governance and internal control for use by charities when they organise fund-raising activities.

These guidelines and good practices on governance and accountability, though not primarily aimed at combating terrorist abuse of charities, can help mitigate such abuse by enhancing charities' transparency and integrity. Charities are advised to adapt and adopt these guidelines to suit their management and operational needs as well as resource capabilities, which can practically assist in mitigating adversarial risks including TF risks. Charities may also consult other sources<sup>11</sup> which cover good governance of NPOs.

3.5 Specifically for preventing possible TF abuses as outlined in Chapter 1 and Chapter 2, charities may adopt the good practices and measures as set out below. These good practices and measures complement those mentioned in paragraph 3.4 above. Some real case examples are also provided to illustrate how charities in Hong Kong supporting humanitarian services in places outside Hong Kong, including conflict zones, put the good practices and measures into actual operation.

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<sup>11</sup> Examples are –

- (a) the *NGO Governance* website of the Hong Kong Council of Social Service (available at: <https://governance.hkcss.org.hk>); and
- (b) *Managing Financial Crime Risk: A Primer for Charities and Not-For-Profits* issued by HSBC (available at: [www.business.hsbc.com.hk/-/media/library/business-hk/pdfs/en/hsbc-managing-financial-crime-risk-eng.pdf](http://www.business.hsbc.com.hk/-/media/library/business-hk/pdfs/en/hsbc-managing-financial-crime-risk-eng.pdf)).

## Good Governance and Financial Accountability and Transparency

- (a) Establish robust financial control and human resource policies;

***Case Example: Hierarchy of programmes approval***

- A hierarchy of programmes approval is set up depending on the amount of funding involved, and checks and balances are ensured through approval from both the senior management/personnel of the finance department and programme department.
- Unprecedented and/or controversial programmes are referred to the highest level (e.g. Board of Directors/Council) for consideration and approval, regardless of the amount of funding involved.

- (b) Maintain information on the purpose and objectives of the charities' stated activities, and the identity of the person(s) who own, control or direct their activities, including senior officers, board members and trustees. This information should be publicly available either directly from the charities, or through the Companies Registry if the charity is set up in the form of a company under the Companies Ordinance (Cap. 622);
- (c) Publish annual financial statements that provide detailed breakdowns of incomes and expenditures;
- (d) Maintain, for a period of at least seven years, records of domestic and international transactions that are sufficiently detailed to verify that funds have been received and spent in a manner consistent with the purpose and objectives of the charities;
- (e) Conduct transactions via regulated financial channels, wherever feasible, keeping in mind the varying capacities of financial sectors in different countries and in different areas of urgent charitable and humanitarian concerns;

- (f) When cash is used, use it appropriately in line with international and domestic laws and regulations, including cash declaration and/or disclosure requirements to promote greater transparency and accountability of the funds;
- (g) In a risk-based approach<sup>12</sup>, make reference to publicly available information, to determine whether any of their own directors of the board, employees or voluntary workers are suspected of being involved in activities relating to terrorism, including TF;

***Case Example: Due diligence on recruitment of volunteers to serve in conflict zones***

- Stringent recruitment procedures, including checking against designated terrorist lists, are formulated to ensure suitability of candidates for overseas services.
- Robust training programmes are conducted for recruited volunteers to perform their overseas tasks (e.g. volunteers required to complete a three-year programme before being sent to conflict zones).

Know the Donors, Beneficiaries and Partners

- (h) Take reasonable measures to document the identity of the significant donors and to respect donor confidentiality;

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<sup>12</sup> Factors for risk assessment may include the seniority of the post assumed by the person concerned, known reputation, years of acquaintanceship, years of service in the charity sector, previous experience, etc. Publicly available information may include the terrorist lists published in the Gazette from time to time.

***Case Example: Vigilance on receiving donations***

- In receiving large amounts of donations (e.g. HKD100,000) from an individual or entity (e.g. a corporation or foundation), due diligence checks are conducted on the background of the individual or the board of directors/senior management of the entity to see if they would be against the charity's mission and values; and to understand the source of funds to see if there are any potential high risk activities involved.
- Written agreements (e.g. memorandum of understanding) are signed to set out the terms and conditions of how the donations would be utilised when a donor designates a specific use of a large amount of donation.
- For large amounts of anonymous donations received through banks or other channels, attempts are made to identify the donors and the funds are used only on the approval of senior management.
- A maximum level (e.g. HKD10,000) is set for receiving anonymous donations.

- (i) Inform the donors of how and where their donations are going to be expended;
- (j) Take reasonable measures to confirm the identity, credentials and good standing of the beneficiaries and associate NPOs, and that they are not involved with and/or using the charitable funds to support terrorists or terrorist organisations;
- (k) In a risk-based approach<sup>13</sup>, conduct a reasonable search of publicly available information, including information available on the Internet, to determine whether any donors/beneficiaries/partners or their key employees, board members or other senior managerial staff are suspected of being involved in activities

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<sup>13</sup> Charities should assess the level of risk in deciding the extensiveness and thoroughness of the search. Factors to be considered in the assessment may include the nature of the activities of the donors/beneficiaries/partners, the target group(s) of the donors/beneficiaries/partners, the active operation places of the donors/beneficiaries/partners, the known reputation of the donors/beneficiaries/partners and their staff, years of the acquaintanceship with them, etc. Publicly available information may include the terrorist lists published in the Gazette from time to time.

relating to terrorism, including TF, before entering into relationships or agreements. Written documents may be used to outline the expectations and responsibilities of parties involved, which include information as to the application of funds and requirements for regular reporting, audits and on-site visits;

***Case Example: Assessment of local partners***

- An assessment of each local partner is conducted, covering its organisational orientation, programmatic information and capacity, technical skills, financial and administrative capacity, and capability to meet the charity's specific internal and external policy requirements (e.g. requirements on progress and financial reporting and compliance with procurement procedures).
- The charity will choose to work with local government agencies if a suitable local partner or contractor cannot be identified.



***Case Example: Risk assessment of countries***

- Enhanced due diligence is applied for “high-risk countries”. “High-risk countries” refer to –
  - countries where designated terrorist groups control access to the territory or populations, or form part of governmental structures;
  - countries where designated terrorist groups operate and constitute a threat to populations, international non-governmental organisations and public authorities;
  - countries where groups have been designated as terrorists by the government; and
  - countries subject to international sanctions.
- Enhanced diligence includes, among others, performing a more comprehensive check on partners and their suppliers for major purchases, and ensuring that the counterparty has internal compliance standards to avoid breaching international sanctions and any local regulatory or licensing requirements.

Be Aware of Designated Terrorists and Terrorist Organisations

- (l) Make reference to the updated list of terrorists and terrorist associates designated by the United Nations Security Council or specified by the Court of First Instance and published in the Gazette<sup>14</sup> in undertaking the measures at (b), (g), (h), (j) and (k) above;

Good Programme Planning and Monitoring

- (m) Have appropriate control in place to ensure that all funds are fully accounted for and are spent in a manner that is consistent with the purpose and objectives of their stated activities; and

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<sup>14</sup> Available at: [www.sb.gov.hk/eng/special/terrorist/terrorist.htm](http://www.sb.gov.hk/eng/special/terrorist/terrorist.htm)

***Case Example: Enhancing programme management***

- Autonomy is maintained from head offices, partner organisations or donors regarding programmes/projects on which funds will be spent.
- Progress reports from operation offices are reviewed periodically, in addition to auditing and on-site reviews of programmes/projects by overseas head offices.
- On-site visits are conducted to understand implementation of programmes/projects, depending on the amount of funding involved and the programme/project stage.

Report Suspicious Transactions

- (n) Make a report to JFIU when there is any knowledge or suspicion of terrorist property. Chapter 4 sets out the reporting requirements.

3.6 The above good practices and measures assist charities to carry out TF risk assessment and mitigation. The checklist at the **Appendix** provides a further tool to help charities identify potential TF risks.

# Chapter 4

## Reporting Suspicious Transactions

### Legal Obligation

4.1 As set out in Chapter 2, section 12 of UNATMO requires any person, including NPOs and charities, to report knowledge or suspicion of terrorist property. If you **know** or **suspect** any property, such as any donations or funds received or handled by your charity, to be terrorist property, you have the legal obligation to file an STR to JFIU<sup>15</sup>. According to section 2 of UNATMO, “terrorist property” means the property of a terrorist or terrorist associate; or any other property that (i) is intended to be used to finance or otherwise assist the commission of a terrorist act; or (ii) was used to finance or otherwise assist the commission of a terrorist act. Failure to file an STR is a criminal offence subject to a level 5 fine (HKD 50,000) and imprisonment for three months.

4.2 It should be noted that once an STR is filed, “tipping-off” is an offence. Under section 12(5) of UNATMO, a person commits an offence if knowing or suspecting that an STR has been filed, the person discloses to another person any information or other matter which is likely to prejudice any investigation which might be concluded following that STR. The maximum penalty is a fine (without cap) and three years’ imprisonment.

### Practices and Procedures

4.3 Under section 12(2) and (2A) of UNATMO, making an STR protects you from prosecution in the event that you are unwittingly involved in TF, subject to the conditions specified under section 12(2B) of

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<sup>15</sup> Section 12(4) of UNATMO provides that in the case of a person who was in employment at the relevant time, this section shall have effect in relation to disclosures to the appropriate person in accordance with the procedure established by his employer for the making of such disclosures as it has effect in relation to filing STRs to JFIU.

UNATMO<sup>16</sup>. Therefore, if you have any doubt over the legitimacy of any persons or property you deal with even though you have exercised proper due diligence to “know” them, it is advisable for you to make an STR to JFIU.

**Protection in law**

Section 12(3) of UNATMO provides that making an STR –

- (a) shall not be treated as a breach of any restriction upon the disclosure of information imposed by contract or by any enactment, rule of conduct or other provision;
- (b) shall not render the person who made it liable in damages for any loss arising out of—
  - (i) the disclosure;
  - (ii) any act done or omitted to be done in relation to the property concerned in consequence of the disclosure.

4.4 Whilst there is no prescribed manner of reporting, report in writing is preferred. JFIU has designed a standard form to assist in making STRs. The form is available at JFIU’s website<sup>17</sup>. An STR should include the personal particulars and contact details of the individuals or entities involved, and details of the suspicious circumstances. JFIU will acknowledge receipt of a report, analyse it and forward it to the appropriate law enforcement authority for investigation. A person having filed an STR will be informed of the outcome of investigation in due course.

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<sup>16</sup> Such conditions are -

- (a) the disclosure (i.e. STR) is made before the person does an act in contravention of the relevant sections of UNATMO and the person does the act with the consent of an authorized officer (i.e. JFIU); or
- (b) the disclosure is made -
  - (i) after the person does that act;
  - (ii) on the person’s initiative; and
  - (iii) as soon as it is practicable for the person to make the disclosure.

<sup>17</sup> Available at: [https://www.jfiu.gov.hk/info/doc/STR\\_Form\\_v1.3.pdf](https://www.jfiu.gov.hk/info/doc/STR_Form_v1.3.pdf).

## Chapter 5 Enquiries

5.1 If you have any enquiries or suggestions about this Guideline, please contact us at:

Narcotics Division,  
Security Bureau  
30/F, Queensway Government Offices  
Admiralty, Hong Kong

Tel: 2867 2766

Fax: 2810 1790

Email: [sbenq@sb.gov.hk](mailto:sbenq@sb.gov.hk)

5.2 If you have any enquiries about filing an STR, please contact the **Joint Financial Intelligence Unit** at:

Tel: 2866 3366

Fax: 2529 4013

Email: [jfiu@police.gov.hk](mailto:jfiu@police.gov.hk)

Mail: GPO Box 6555 Hong Kong

5.3 Further details of suspicious transaction reporting are available at [www.jfiu.gov.hk](http://www.jfiu.gov.hk).

## List of Acronyms and Abbreviations

FATF	the Financial Action Task Force
JFIU	the Joint Financial Intelligence Unit
ML	money laundering
NPO	non-profit organisation
STR	suspicious transaction report
TF	terrorist financing
UNATMO	the United Nations (Anti-Terrorism Measures) Ordinance (Cap. 575)

## Reference

### **The Financial Action Task Force Recommendations**

[www.fatf-gafi.org/publications/fatfrecommendations/documents/fatf-recommendations.html](http://www.fatf-gafi.org/publications/fatfrecommendations/documents/fatf-recommendations.html)

### **Risk of Terrorists Abuse in Non-Profit Organisations**

[www.fatf-gafi.org/media/fatf/documents/reports/Risk-of-terrorist-abuse-in-non-profit-organisations.pdf](http://www.fatf-gafi.org/media/fatf/documents/reports/Risk-of-terrorist-abuse-in-non-profit-organisations.pdf)

### **Best Practice Paper on Combating the Abuse of Non-Profit Organisations**

[www.fatf-gafi.org/media/fatf/documents/reports/BPP-combating-abuse-non-profit-organisations.pdf](http://www.fatf-gafi.org/media/fatf/documents/reports/BPP-combating-abuse-non-profit-organisations.pdf)

### **Hong Kong Money Laundering and Terrorist Financing Risk Assessment**

[www.fstb.gov.hk/fsb/aml/en/doc/hk-risk-assessment-report\\_e.pdf](http://www.fstb.gov.hk/fsb/aml/en/doc/hk-risk-assessment-report_e.pdf)

### **List of terrorists and terrorist associates designated by the United Nations Security Council**

[www.sb.gov.hk/eng/special/terrorist/terrorist.htm](http://www.sb.gov.hk/eng/special/terrorist/terrorist.htm)

### **Social Welfare Department - NGO Corner**

[www.swd.gov.hk/en/index/site\\_ngo/](http://www.swd.gov.hk/en/index/site_ngo/)