

Key Regulatory Obligations	Protocols
<p>As someone in the Hong Kong office, you should know that:</p> <ul style="list-style-type: none"> <li>■ The Securities and Futures Commission (“SFC”) and the Hong Kong Monetary Authority (“HKMA”) are the anti-money laundering (“AML”) regulators in Hong Kong.</li> <li>■ AML regulations in Hong Kong include: <ul style="list-style-type: none"> <li>– The Anti-Money Laundering Ordinance (the AMLO)</li> <li>– Guideline on Anti-Money Laundering and Counter Financing of Terrorism (For Licensed Corporations) (the AML/CFT Guideline)</li> <li>– The Drug Trafficking (Recovery of Proceeds) Ordinance (DTROP)</li> <li>– The Organized and Serious Crimes Ordinance (OSCO)</li> <li>– The United Nations (Anti-Terrorism Measures) Ordinance (UNATMO)</li> </ul> </li> <li>■ The <b>Managers-in-Charge (MIC) Regime</b> augments the accountability of senior management (directors, responsible officers and MIC) and has been fully implemented by SFC since 17 October 2017. MICs could be subject to SFC disciplinary sanctions and accessory criminal liability, even if the person is not licensed by SFC.</li> </ul>	<p>Here are the protocols that must be followed:</p> <ul style="list-style-type: none"> <li>■ Financial Institutions (<b>FI</b>) must not deal with any property while knowingly or having reasonable grounds to believe that it represents a person’s proceeds of drug trafficking or of an indictable offence.</li> <li>■ FIs must not provide or collect property and make any property or financial (or related) services available to terrorists or terrorist associates.</li> <li>■ FIs are required: (i) to establish and maintain adequate policies and procedures relating to third-party deposits and payments; (ii) should only accept third-party deposits or payments under exceptional circumstances and when they are reasonably in line with the customer’s profile and normal commercial practices; and (iii) to conduct due diligence to mitigate AML and CFT risks and meet all applicable legal and regulatory requirement, before accepting any third-party deposit or payment arrangement.</li> <li>■ All third-party payments/deposits/asset transfers that are out of the ordinary course of business and/or exhibit any red flags, must be escalated to <a href="#">gs-fcc-apac-escalations</a> for review and approval. For details, please refer to <a href="#">Policy Goldman Sachs Hong Kong Third Party Deposits, Payments, and Asset Transfers</a>.</li> </ul>
Consequences	
<p>The consequences of non-compliance include:</p> <ul style="list-style-type: none"> <li>■ <b>An FI</b>, or an <b>employee of FI</b>, that ‘knowingly’ and ‘with intent to defraud’ contravenes a specified provision of the AMLO face maximum criminal penalties of HKD 1 million and imprisonment for 7 years; ‘without an intent to defraud’, a fine of HKD 1 million and imprisonment for 2 years.</li> <li>■ <b>An FI</b> contravening provision(s) in the AMLO is also subject to disciplinary actions by the relevant authorities (e.g., HKMA and SFC), including revocation of licenses/authorization. The maximum pecuniary penalty for breach of a specified provision is a fine of HKD 10 million, or 3 times the amount of profit gained, or costs avoided, by the FI as a result of the contravention.</li> <li>■ <b>An individual</b> (and, in theory, entities) convicted of dealing with proceeds of drug trafficking or of an indictable offence under the DTROP and OSCO face a maximum penalty of HKD 5 million in fine and imprisonment for 14 years.</li> </ul>	
The Bottom Line	
Report Suspicious Activity or Issues That May Raise Money Laundering Concerns to Your Compliance Officer or to FCC	
Contacts	
For any questions or concerns please reach out to <a href="#">gs-fcc-apac-escalations</a> or to your respective <a href="#">Money Laundering Regional Officer (MLRO)</a> .	
Additional Information	
In addition to the material in this training, the Anti-Bribery Group or your regional compliance officers may inform you of particular local laws, rules and regulations that may impose specific anti-bribery / anti-corruption legal or compliance requirements in Hong Kong. If applicable, please become familiar with those requirements.	