



COMPANIES REGISTRY

MONEY LENDERS SECTION

Requirements Relating to Financial Sanctions, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction (For Licensed Money Lenders)



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Financial Sanctions



Counter-Financing of Terrorism

Relevant Regulations of the United Nations Sanctions Ordinance (Cap. 537) ("UNSO")

It is an offence

- (a) to make available, directly or indirectly, any funds or other financial assets or economic resources to, or for the benefit of,
 - (i) designated persons or entities;
 - (ii) persons or entities acting on behalf or at the direction of the designated persons or entities mentioned in (i); or
 - (iii) entities owned or controlled by any persons or entities mentioned in (i) or (ii); or
- (b) to deal with, directly or indirectly, any funds or other financial assets or economic resources belonging to, or owned or controlled by, such persons and entities falling within (a) above.



The United Nations (Anti-Terrorism Measures) Ordinance (Cap. 575) ("UNATMO")

It is an offence

- (a) to provide or collect property for use to commit terrorist acts;
- (b) to make available or collect or solicit property or financial (or related) services for terrorists and terrorist associates;
- (c) to deal with any property knowing that, or being reckless as to whether, the property is specified terrorist property or property of a specified terrorist or terrorist associates; and
- (d) to provide or collect any property, with the intention or knowing that the property will be used, to finance the travel of a person between states for
 - (i) the perpetration, planning or preparation of, or participation in, one or more terrorist acts (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, one or more terrorist acts (even if no terrorist act actually occurs as a result of the training).



Licensed money lenders **MUST NOT** have any business relationship with any individuals or entities sanctioned under relevant regulations of UNSO, or any terrorist or terrorist associate as defined under the UNATMO.

Counter-Financing of Proliferation of Weapons of Mass Destruction

Definition provided by Financial Action Task Force “FATF”)—



Proliferation financing refers to the act of:

“raising, moving, or making available funds, other assets or other economic resources, or financing, in whole or in part, to persons or entities for purposes of weapons of mass destruction proliferation, including the proliferation of their means of delivery or related materials (including both dual-use technologies and dual-use goods for non-legitimate purposes.)”

Licensed money lenders must comply with the requirements of relevant Ordinances

**Weapons of Mass Destruction
(Control of Provision of
Services) Ordinance (Cap. 526)**

**United Nations Sanctions
(Democratic People’s Republic of
Korea) Regulation (Cap. 537AE)**



Please refer to the *“Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Money Lenders)”* and FATF’s *“Guidance on Proliferation Financing Risk Assessment and Mitigation”* for more information.

What should licensed money lenders do?

Implement an effective screening mechanism, which should include screening its customers and any beneficial owners of the customers against:

- (i) current database at the establishment of the relationship; and
- (ii) all new and any updated designations to the database as soon as practicable.

The above screening requirements should extend to connected parties and person purporting to act on behalf of a customer using a risk-based approach.

Identify, assess, understand and take effective action to mitigate their terrorist financing and proliferation financing risks.

Make a report to the **Joint Financial Intelligence Unit** on any suspicions of terrorist financing, financing of proliferation of weapons of mass destruction or sanctions violations.



Where to find the sanction lists?



The screenshot shows the homepage of the Commerce and Economic Development Bureau (CEDB) of the Hong Kong Special Administrative Region. The main navigation bar includes links for ABOUT US, BUSINESS ENVIRONMENT, LICENCES & RESOURCES, SECTORS, TRADE & INVESTMENT, COUNCILS, BOARDS & COMMITTEES, and NEWS & RELATED INFORMATION. The breadcrumb trail reads: CEDB > About Us > Our Portfolio > United Nations Security Council Sanctions. The main heading is "United Nations Security Council Sanctions". Below the heading is a large image of a city skyline. A sidebar on the left contains links for EXTERNAL COMMERCIAL RELATIONS, INWARD INVESTMENT PROMOTION, and BUSINESS SUPPORT. A central banner reads "List of Countries subject to Sanctions".



The screenshot shows the homepage of the Security Bureau of the Hong Kong Special Administrative Region. The main navigation bar includes links for ABOUT US, SECURITY ALERT, WHAT'S NEW, TOPICS & ISSUES, LEGISLATIVE COUNCIL MATTERS, GALLERY, and GENERAL INFORMATION. The breadcrumb trail reads: Home > Topics & Issues >. The main heading is "United Nations (Anti-Terrorism Measures) Ordinance (Cap. 575)". Below the heading is a large image of a city skyline. A sidebar on the left contains links for EXTERNAL COMMERCIAL RELATIONS, INWARD INVESTMENT PROMOTION, and BUSINESS SUPPORT. A central banner reads "List of Countries subject to Sanctions".



The screenshot shows the homepage of the Companies Registry of the Hong Kong Special Administrative Region. The main navigation bar includes links for About us, Major Services, Forms, Legislation, Publications, Electronic Services, Compliance, and FAQ. The breadcrumb trail reads: Compliance > Anti-Money Laundering and Counter Financing of Terrorism > United Nations Sanction Lists. The main heading is "United Nations Sanction Lists". Below the heading is a large image of a hand holding a gavel. A central banner reads "List of Countries subject to Sanctions".

