Financial Intelligence and Investigation Bureau
Hong Kong Police Force

Anti-Money Laundering and Counter-Financing of Terrorism Webinar for Trust & Company Service Providers (TCSPs)

Suspicious Transaction Reports, Introduction of STREAMS 2, Typologies and Case sharing

Presented by:

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Agenda of FIIB's Sharing

1. Introduction of FIIB and JFIU
2. Key Legislation and STR Reporting Regime
3. Introduction of STREAMS 2
4. STR Reporting in STREAMS 2
5. Common Typologies, Case Sharing

About FIIB and JFIU

1989 — ***Expansion of FID and JFIU*** — **2021**

FEATURES OF JFIU

Co-staffed

Co-staffed by HKPF and C&ED and based in Police Headquarters

Sole Agency in HK

Managing Suspicious Transaction Reporting Regime

Partnership

Financial Intelligence Exchange with LEAs and FIUs worldwide

Key Legislation

Cap. 405
Drug Trafficking (Recovery of Proceeds) Ordinance
販毒(追討得益)條例

Cap. 455
Organized and Serious Crimes Ordinance
有組織及嚴重罪行條例

Cap. 575
United Nations (Anti-Terrorism Mesaures) Ordinance
聯合國(反恐怖主義措施)條例

Cap. 615
AML &CFT Ordinance and Amendment
打擊洗錢及恐怖分子資金籌集(金融機構)條例及其修訂

Anti-Money Laundering (AML)

(s.25 of Cap. 405 - DTROP and s.25 of Cap. 455 - OSCO)

Any Person

- Knowing or having reasonable grounds to believe
- Any property
- In whole or in part or indirectly represents proceeds of drug trafficking or indictable offence
- Deals with the property
- Commits the offence

如有人

- 知道或有合理理由相信，
- 任何財產
- 全部或部分、直接或間接代表任何人的販毒/從可公訴罪行得益
- 而仍處理該財產
- 即屬犯罪

MAXIMUM PENALTY

FINE OF HKD 5 MILLIONS &
14 YEARS' IMPRISONMENT

Counter Financing of Terrorism (CFT)

(s.7 of Cap. 575 - UNATMO)

Any Person

- Provide or collect by any means directly or indirectly
- Any property
- With the intention that the property be used or knowing that the property will be used
- In whole or in part to commit one or more terrorist acts

任何人

- 不得在下述情況以任何方法直接或間接提供或籌集財產:
- (1) 懷有將該財產的全部或部分用於作出一項或多於一項恐怖主義行為的意圖(不論該財產實際上有否被如此使用)；或
- (2) 知道該財產的全部或部分將會用於作出一項或多於一項恐怖主義行為(不論該財產實際上有否被如此使用)

MAXIMUM PENALTY

FINE & 14 YEARS' IMPRISONMENT

Suspicious Transactions Reporting

(s.25A(1) of Cap. 405 - DTROP; s.25A(1) of Cap. 455 - OSCO; and s12(1) of Cap. 575 - UNATMO)

Any Person

- Knows or suspects any property
- (1) represents / was used / is intended to be used in connection with the proceeds of drug trafficking / indictable offences or
- (2) is terrorist property
- Should disclose that knowledge or suspicion to an authorized officer (i.e. JFIU)

凡任何人

- 知道或懷疑任何財產
- (1) 全部或部分、直接或間接代表任何人的販毒/從可公訴罪行得益曾在與販毒/可公訴罪行有關的情況下使用；或擬在與販毒/可公訴罪行有關的情況下使用;或
- (2) 是恐怖分子財產；
- 該人須在合理範圍內盡快把該知悉或懷疑，連同上述知悉或懷疑所根據的任何事宜，向獲授權人披露 (i.e. JFIU)

MAXIMUM PENALTY

FINE OF HKD 50,000 &
3 MONTHS' IMPRISONMENT

Tipping Off

(s.25A(5) of Cap. 405 - DTROP; s.25A(5) of Cap. 455 - OSCO; and s12(5) of Cap. 575 - UNATMO)

Where a person

- Knows or suspects a disclosure has been made
- The person shall not disclose to another person any matter
- Which is likely to prejudice any investigation which might be conducted following that first-mentioned disclosure

任何人

- 如知道或懷疑已有任何披露根據第(1)或(4)款作出
- 而仍向其他人披露任何相當可能損害或者會為跟進首述披露而進行的調查的事宜
- 即屬犯罪

MAXIMUM PENALTY

FINE OF HKD 500,000 & 3 YEARS' IMPRISONMENT

STR Mechanism - Public-Private Partnership

Reporting Entities

Law Enforcement Agencies

Financial Intelligence Units

Reporting Entities

e.g. Financial Institutions

- CDD
- KYC
- Record Keeping
- STR Filing

Information

JFIU

- Maintaining STR Regime
- Intelligence Exchange
- International Cooperation
- Training and Outreach

Intelligence

LEA

e.g. HKPF, C&ED and ICAC

- Financial Investigation
- Asset Tracing
- Restraint
- Confiscation

Evidence

Reasons to report STRs

1. Legal obligations for all citizens in Hong Kong
2. No reporting threshold
3. Source of report and reported details will be kept confidential
4. Legal protection to civil and criminal liability

Reasons to report STRs - Companies Registry Guideline on AML and CFT in 2025

公 司 註 冊 處
COMPANIES REGISTRY

Guideline on Anti-Money Launde and Counter-Financing of Terror

(For Trust or Company Service Provider Licensees)

March 2025

CONTENTS

AML/CFT Systems in relation to suspicious transaction reporting

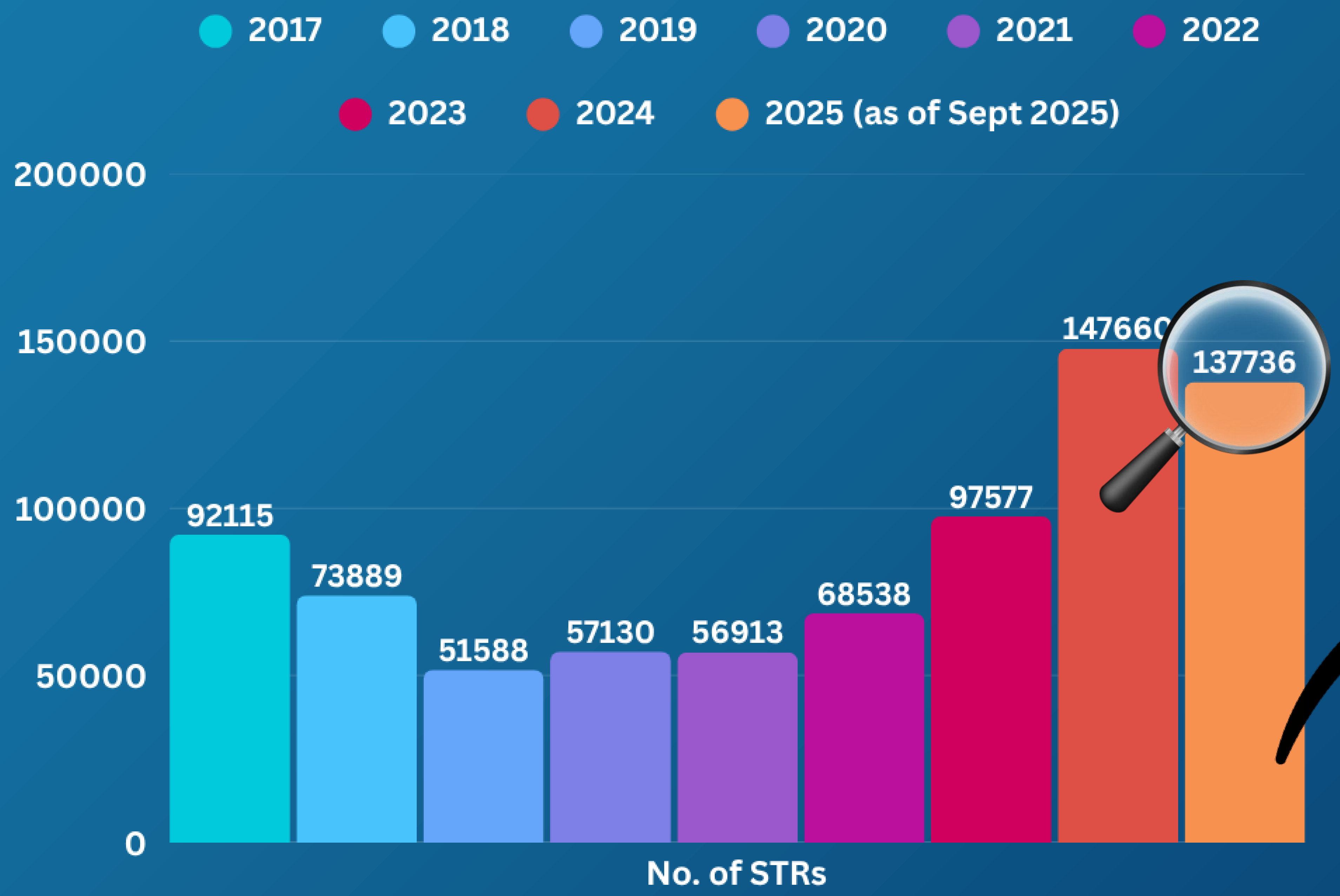
	7.7	A TCSP licensee should implement appropriate AML/CFT Systems in order to fulfil its statutory reporting obligations, and properly manage and mitigate the risks associated with any customer or transaction involved in an STR. The AML/CFT Systems should include: (a) appointment of an MLRO (see Chapter 3); (b) implementing clear policies and procedures over internal reporting, reporting to the JFIU, post-reporting risk mitigation and prevention of tipping off; and (c) keeping proper records of internal reports and STRs.

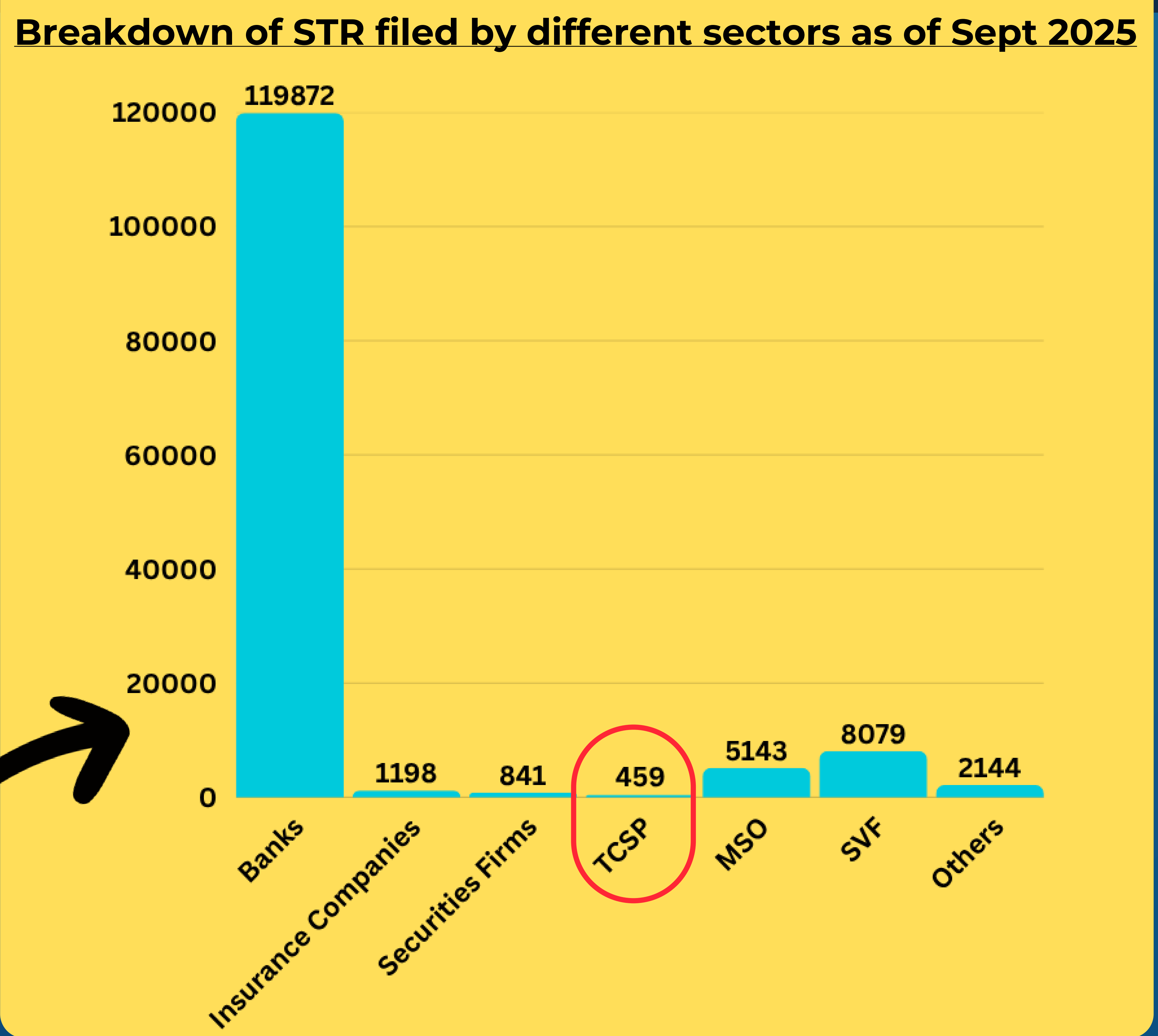
<u>Reporting to the JFIU</u>

	7.19	If after completing the review of the internal report, an MLRO decides that there are grounds for knowledge or suspicion, he should disclose the information to the JFIU as soon as it is reasonable to do so after his evaluation is complete together with the information on which that knowledge or suspicion is based. Dependent on when knowledge or suspicion arises, an STR may be made either before a suspicious transaction or activity occurs (whether the intended transaction ultimately takes place or not), or after a transaction or activity has been completed.

STR Statistics
- from 2017 to September 2025

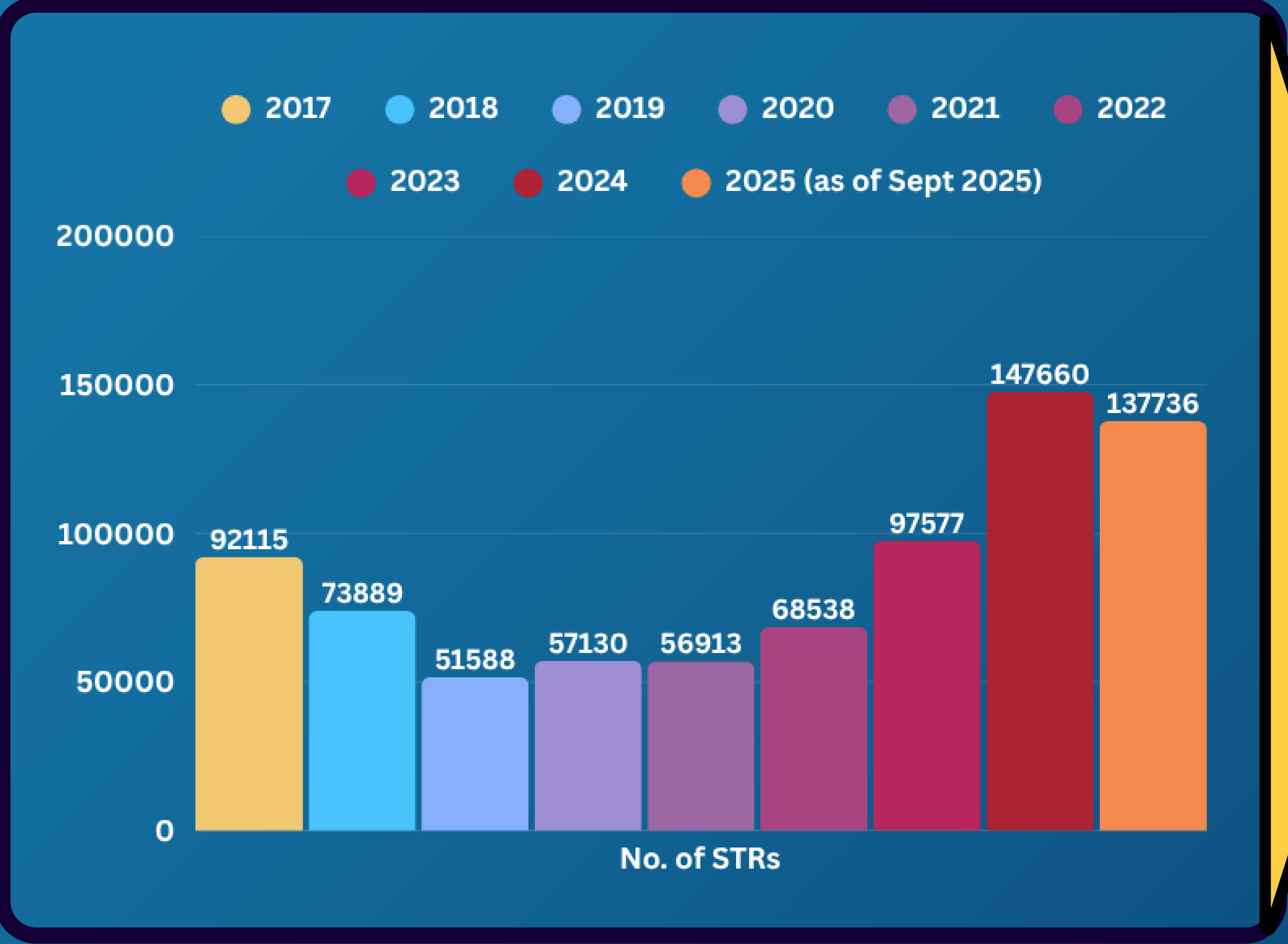
As of Sept 2025, JFIU received a total of 137,736 STRs. Of which, 459 STRs were submitted by TCSPs.

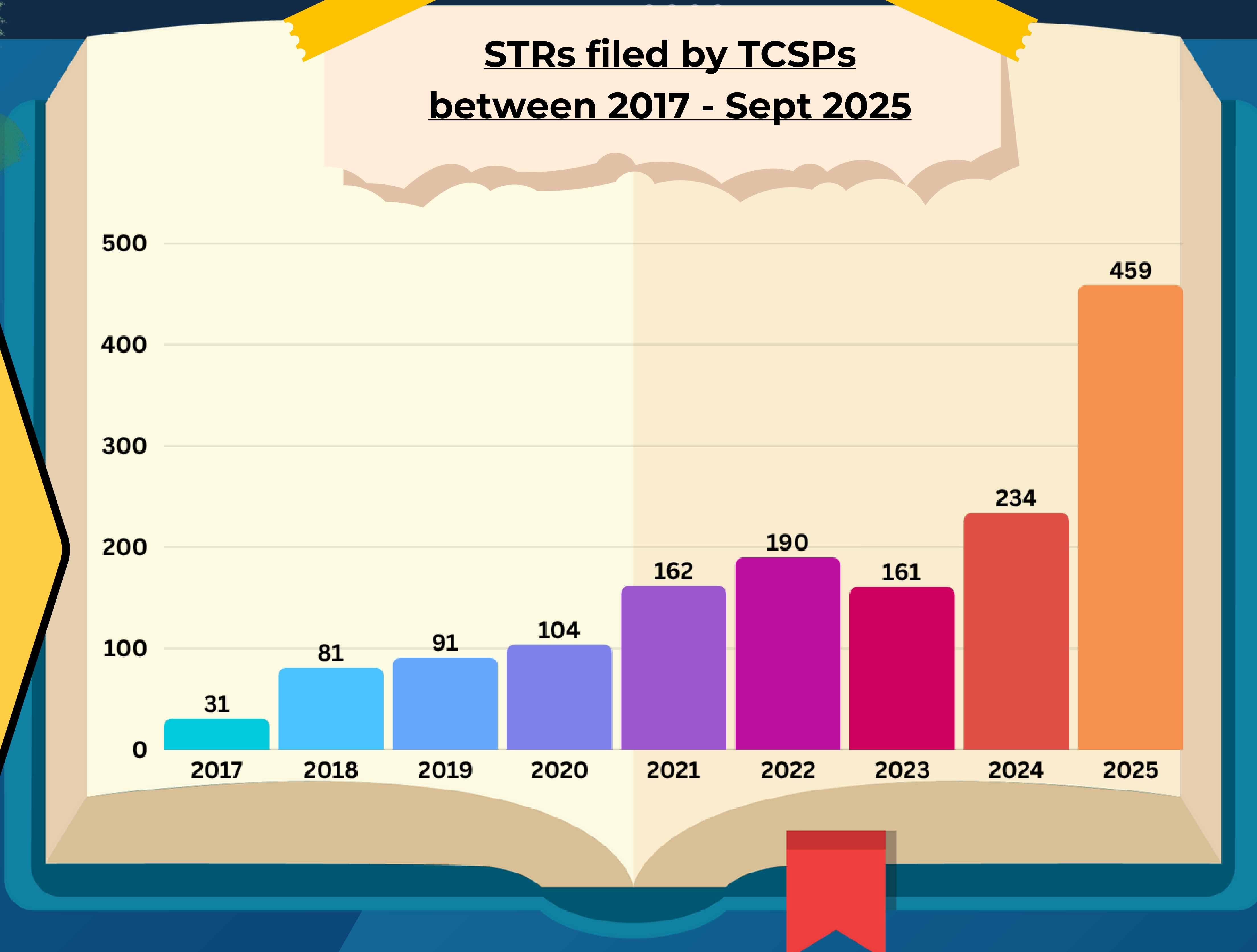




STR Statistics
- from 2017 to Sept 2025

Between 2017 and Sept 2025, STRs filed by TCSPs increase steadily, with an average number of 168 STRs per year.





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INTRODUCTION OF STREAMS 2

Enhanced Data Collection in STREAMS 2

- Comprehensive scope of information collected
- Facilitate big data analytics to identify network / trends effectively

Social Media	Digital Footprints	Address Format	Crypto-transactions
Capture relevant social media identifiers and activity	Collect IP, SSID, BSSID, Geohash Data, etc.	Standardised address input	Dedicated fields for crypto-transactions

Benefits of E-submission

Negate the need of paper-based reporting

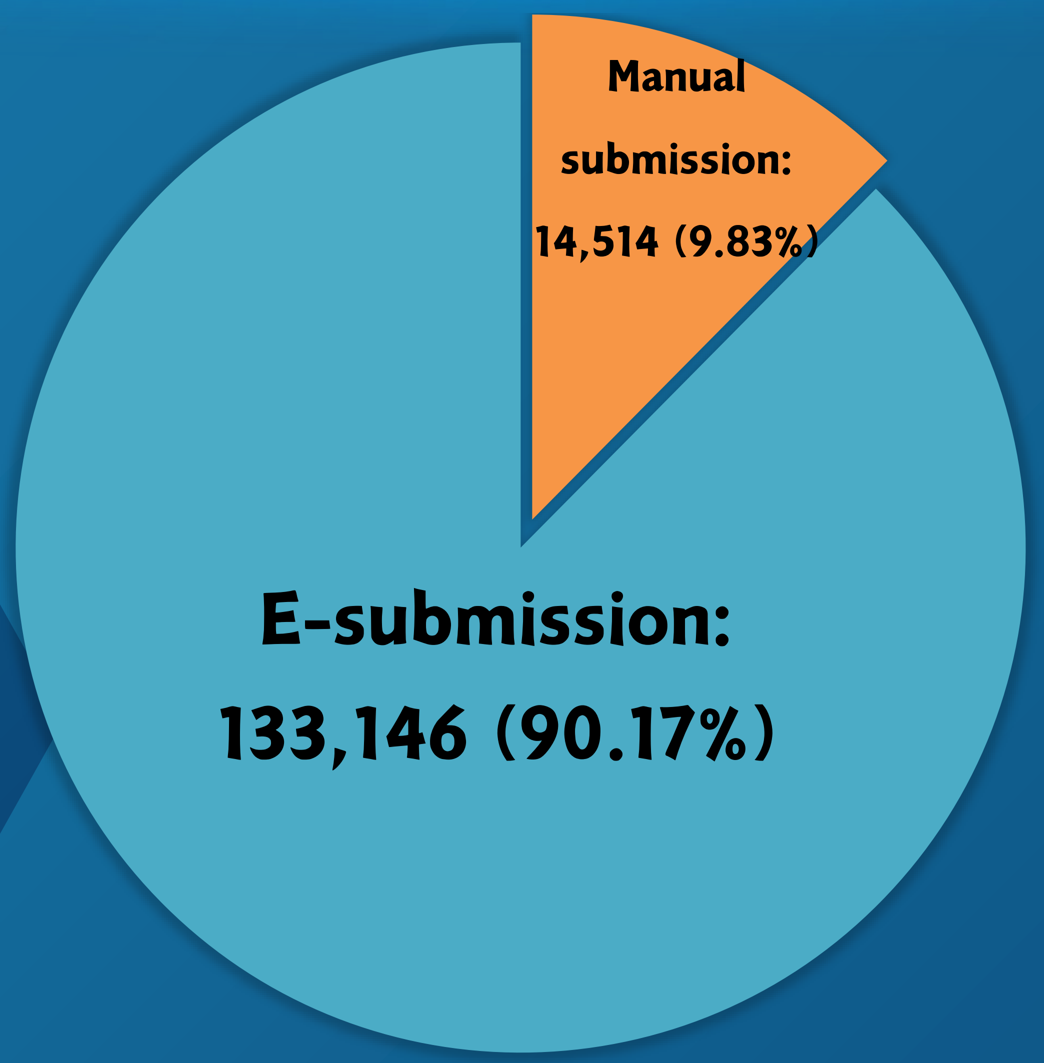
Free and secure system

Receive consent decision via STREAMS

Instant Acknowledgement

Total submission of STRs in 2024:

147,660



Mode of STR Submission in STREAMS 2

all regulated entities will be required to submit STRs by <u>electronic means.</u>

PDF Form	Structured PDF for offline completion and secure upload
Web Form	User-friendly online forms with built-in validation
XML	Direct system-to-system reporting

STR Form Enhancement in STREAMS 2

Comprehensive Data Fields in the Form

Mandatory Fields

- Core information required for all sector
- The mandatory fields will be remarked by a (*)

Optional Fields (Sector Specific)

- Additional data points tailored to specific industry needs and transaction types

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STR REPORTING IN STREAMS 2

How to identify suspicion - SAFE Approach

SCREEN

S

Screen the account for suspicious indicators

ASK

A

Ask the customer appropriate questions

FIND

F

Find out the customer’s records

EVALUATE

E

Evaluate the available information to determine if the transaction is suspicious

STR Reporting
- Red Flag Indicators

Clients

- Politically Exposed Person (PEP)
- Person / Corporate from high-risk country
- No known nexus in HK
- Suspected forged supporting document during on boarding

Transactions

- Transactions from third party / cash / PPS
- Transactions incommensurate with client's background
- Transactions with unrelated parties / high-risk jurisdiction / sanction entity

STR Reporting - Red Flag Indicators

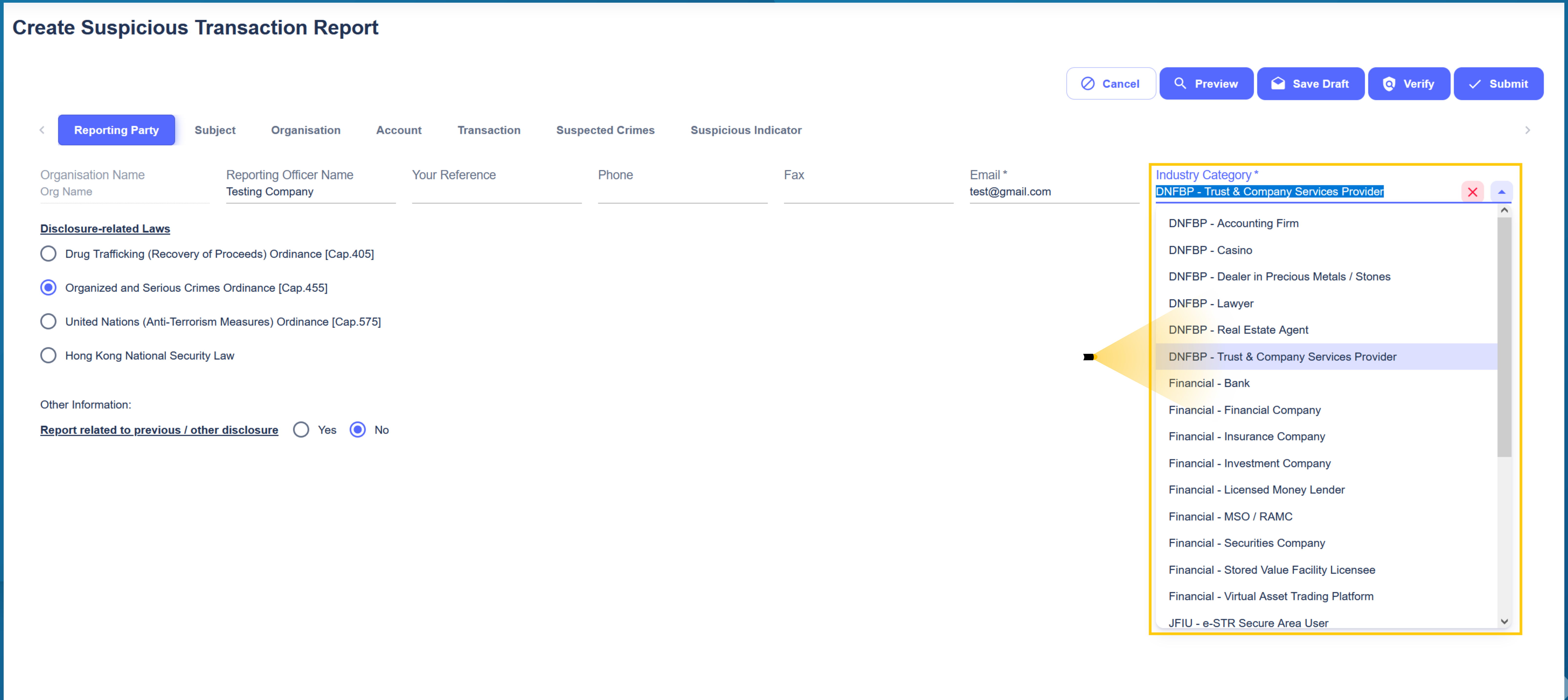
Further enquiry

- Background check / open source research unveil adverse news / records
- Unwilling to respond to questions or answers are not convincing
- Unwilling to provide supporting documents

Evaluation

- Information from client is incommensurate with the record in hand
- Information from client could not be verified

STR Reporting in STREAMS 2 - STR Filing Format



STR Reporting in STREAMS 2 - STR Filing Format

Reporting Party | Subject | Organisation | Account | Transaction | Suspected Crimes | Suspicious Indicator

Organisation Name	Reporting Officer Name	Your Reference	Phone	Fax	Email *
Org Name	Testing Company				test@gmail.com

Industry Category *
Financial - Insurance Company

Disclosure-related Laws

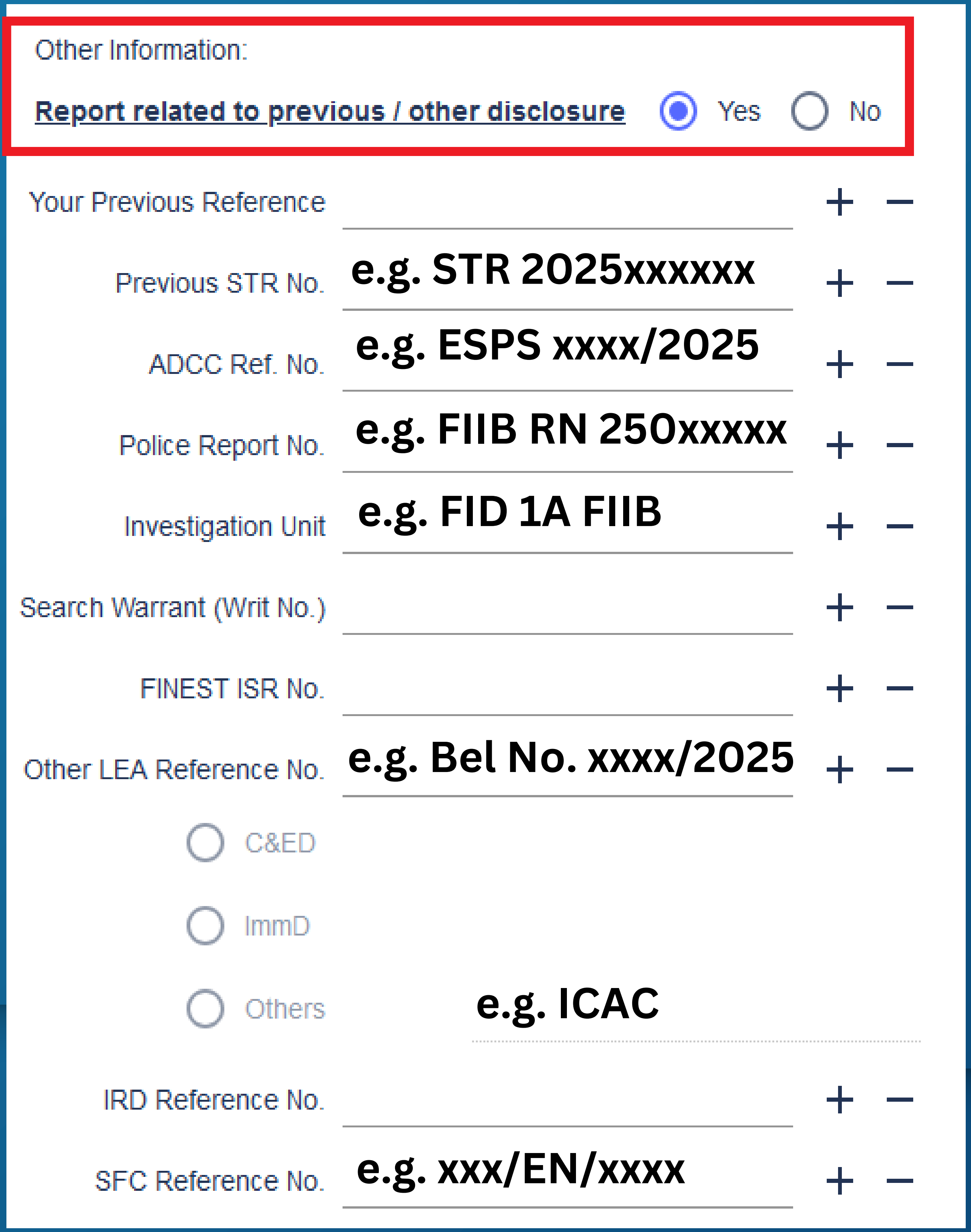
- (●) Drug Trafficking (Recovery of Proceeds) Ordinance [Cap.405]
- ( ) Organized and Serious Crimes Ordinance [Cap.455]
- ( ) United Nations (Anti-Terrorism Measures) Ordinance [Cap.575]
- ( ) Hong Kong National Security Law

Other Information:

Report related to previous / other disclosure ( ) Yes (●) No

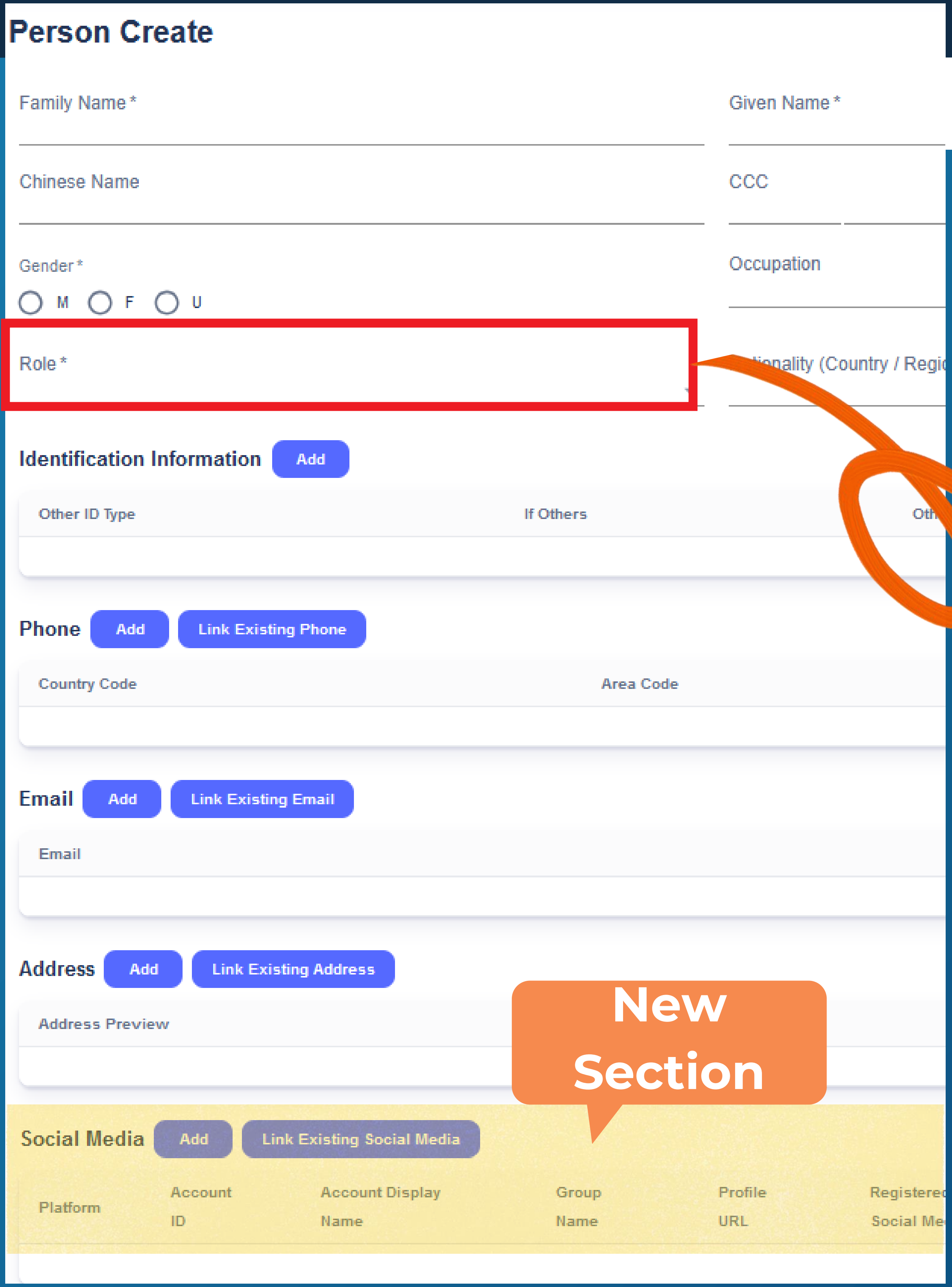
(1) STR triggered by internal monitoring system

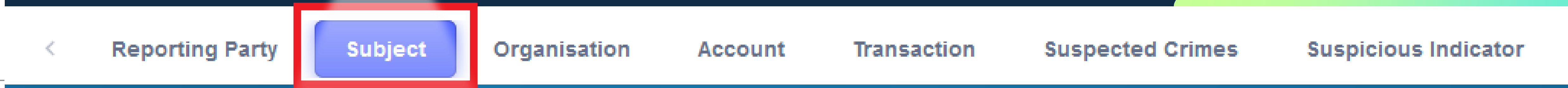
STR Reporting in STREAMS 2 - STR Filing Format



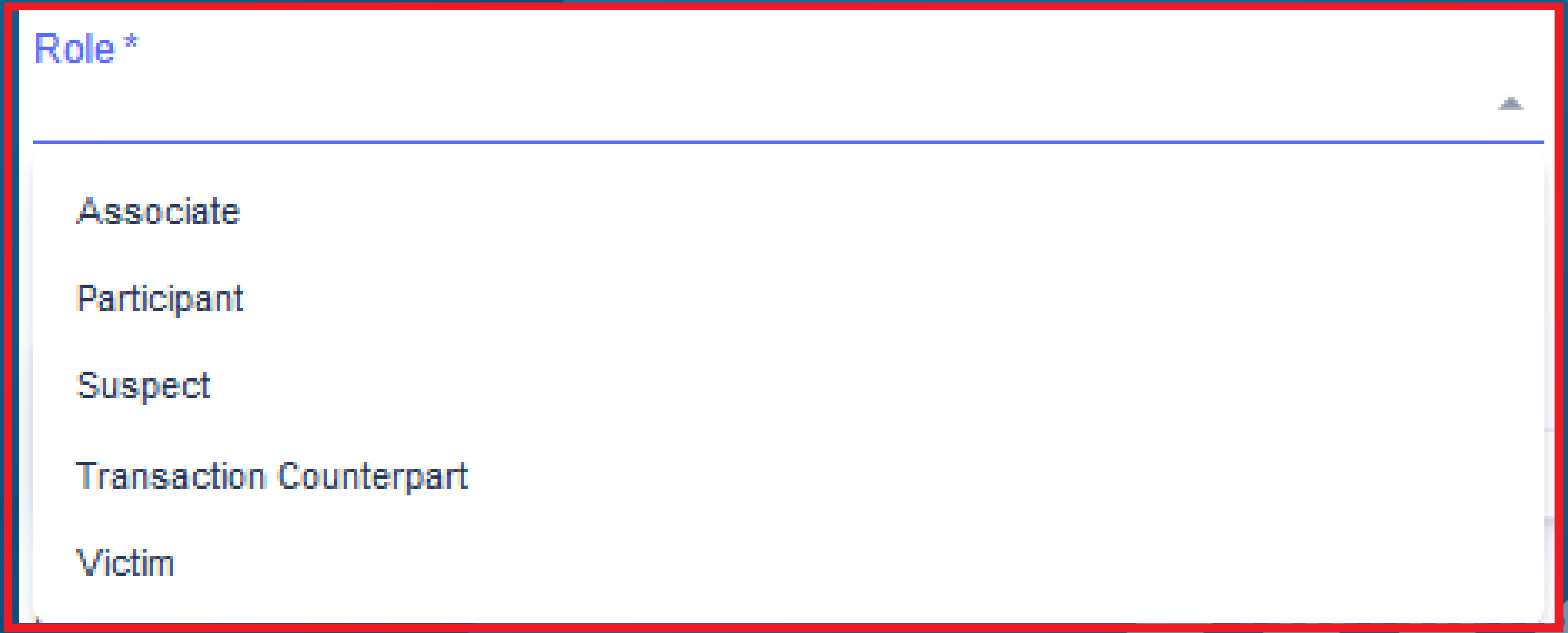
(2) STR triggered by LEA enquiry / intelligence

STR Reporting in STREAMS 2 - STR Filing Format





- Identification no., age, nationality, residential address, occupation, reported salary, source of wealth, etc.
- **Specify the roles** of the reported entities (suspect, victim, transaction counterparty, etc.)



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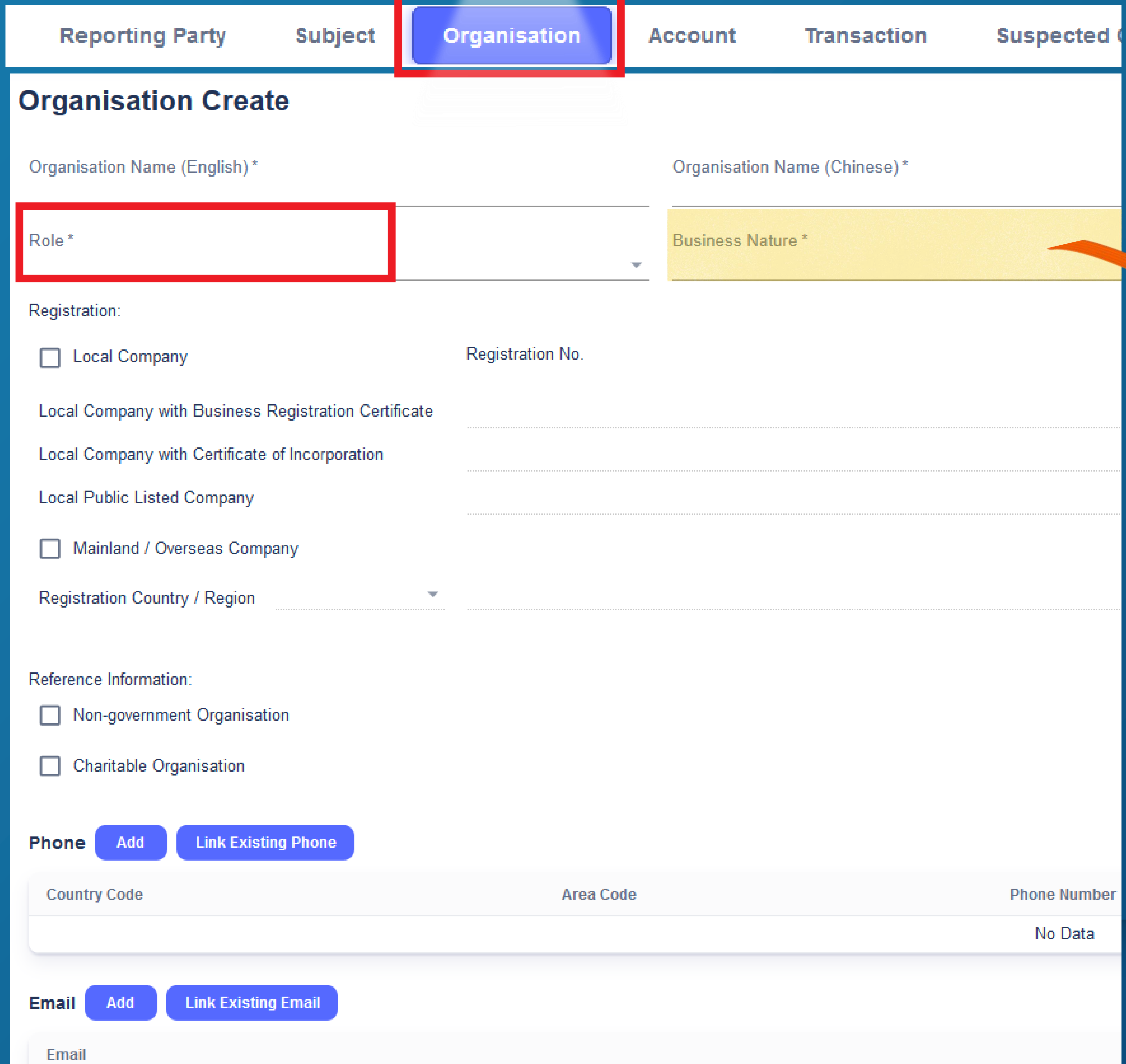
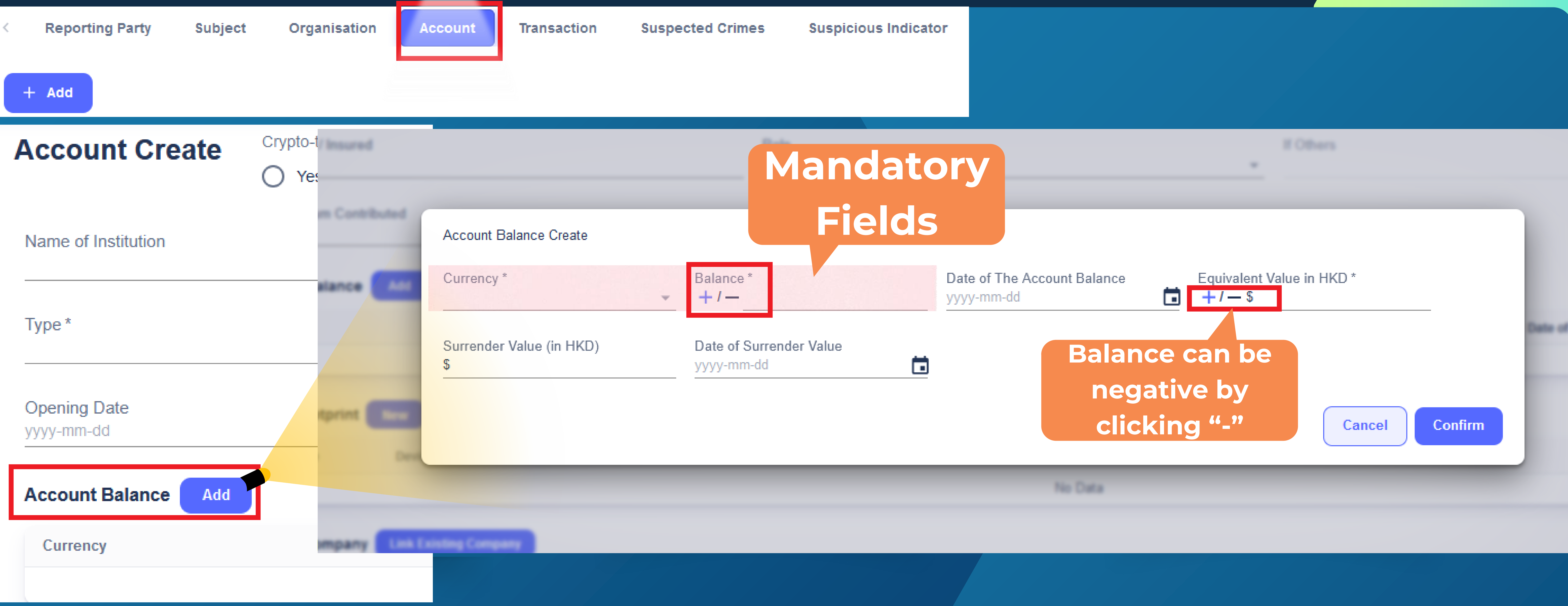


- **unique identification no., place of incorporation, business nature**
- **details of connected parties (e.g. directors, shareholders and beneficial owners)**

STR Reporting in STREAMS 2 - STR Filing Format



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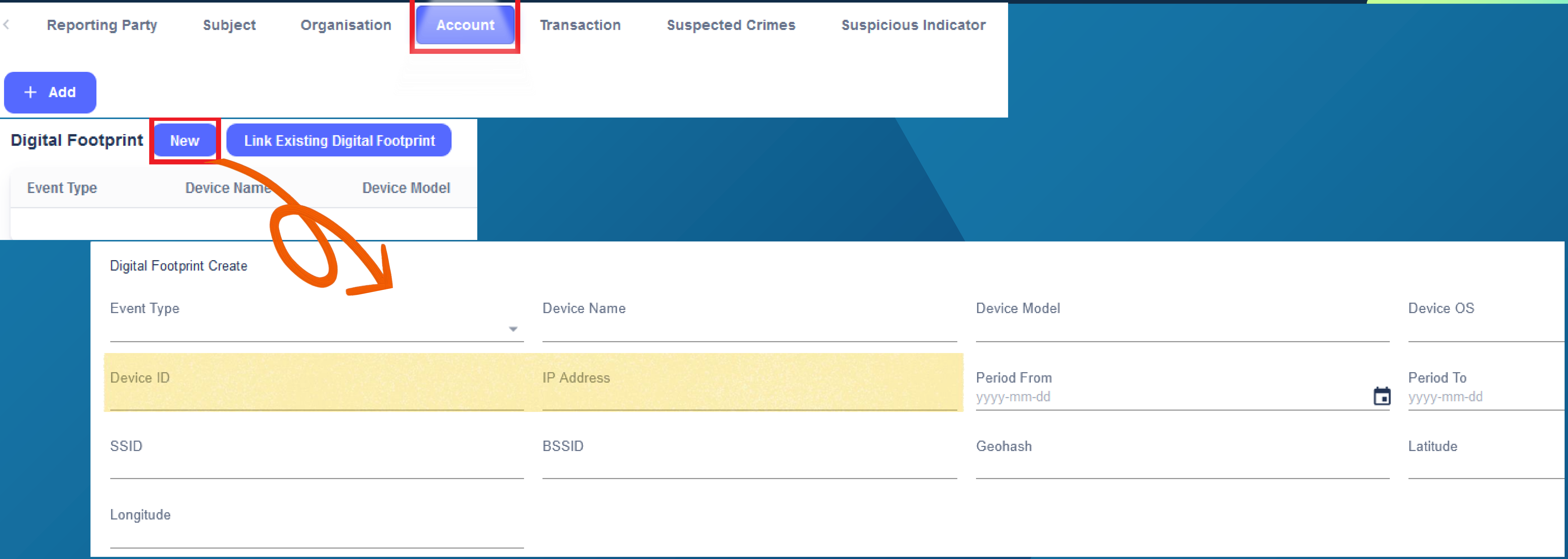

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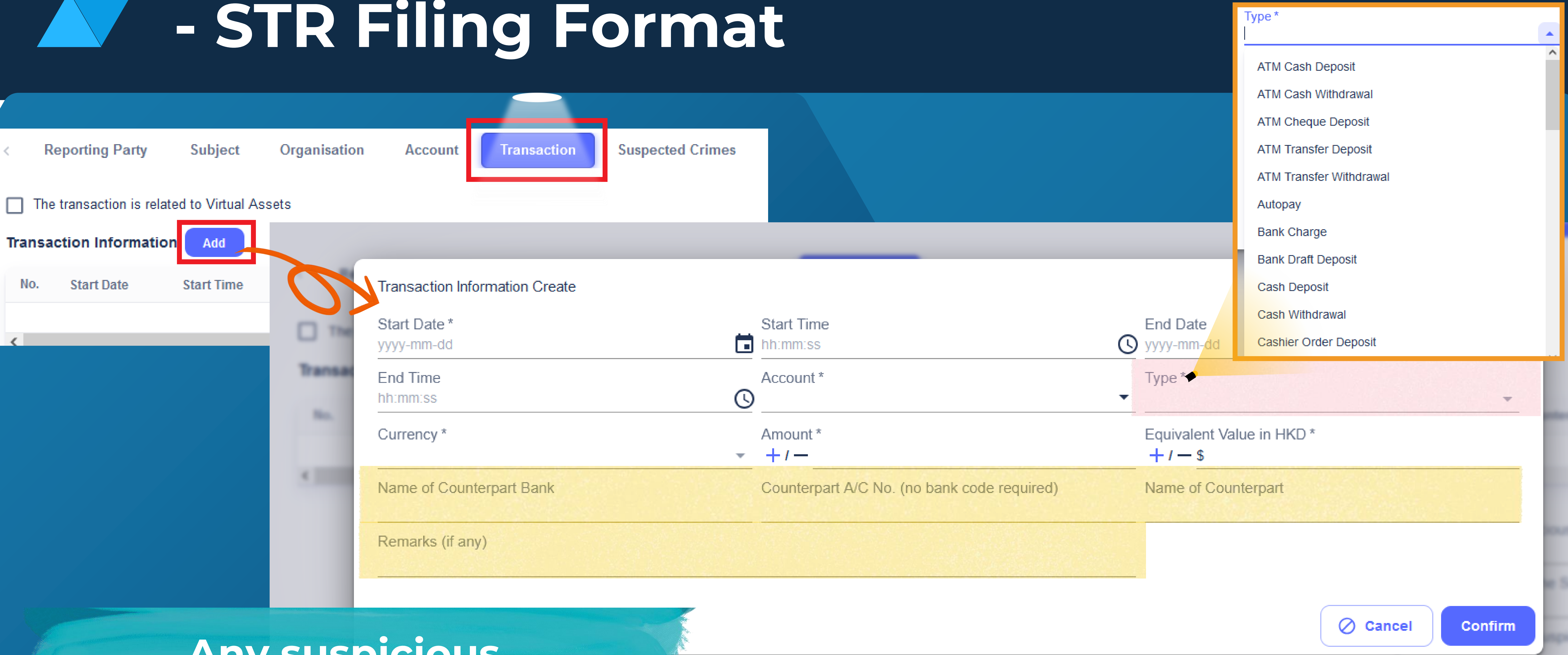

Any suspicious transactions?

STR Reporting in STREAMS 2 - STR Filing Format

Reporting Party | Subject | Organisation | Account | Transaction | **Suspected Crimes** | Suspicious Indicator

Suspected Crimes Please put a " ✓ " in the appropriate box(es)

National Security

- [ ] Offence(s) Endangering National Security

Fraud

- [ ] Email Scam
- [ ] Investment Scam
- [ ] Romance Scam
- [ ] Telephone Deception
- [ ] Others (Please Specify) ....

Other Crimes

- [ ] Bookmaking
- [ ] Crime under Gambling Ordinance
- [ ] Corruption and Bribery
- [ ] Counterfeiting Currency

Illicit Trade Activities

- [ ] Counterfeiting and Piracy of Products
- [ ] Dealing in Precious Metals and Stones without a license
- [ ] Endangered Species Smuggling
- [ ] Illicit Cigarettes
- [ ] Smuggling (including those related to customs and excise duties and taxes)
- [ ] Trade Based Money Laundering
- [ ] Unlicensed Money Service Operator (UMSO)

- [ ] Kidnapping, Illegal Restraint and Hostage-Taking
- [ ] Money Laundering
- [ ] Murder, Grievous Bodily Injury
- [ ] Participation in an Organized Criminal Group and Racketeering

STR Reporting in STREAMS 2 - STR Filing Format

Reporting Party | Subject | Organisation | Account | Transaction | Suspected Crimes | **Suspicious Indicator**

Please put a " ✓ " in the selected box(es).

Fund Movement Pattern

- ☐ Indirect Transaction / Transaction Intended to Break Audit Trail
- ☐ Large Cash Transaction
- ☐ Numerous Transaction Counterparties without Apparent Reasonable Cause
- ☐ Temporary Repository of Fund
- ☐ Transactions Involving High-Risk Jurisdiction / Region
- ☐ Uneconomical Transaction / Transaction with No Business Purpose
- ☐ N/A

Customer Background / Behaviour

- ☐ Civil Servant-related
- ☐ Common IP Address

NEW

- ☐ Customer Evasive / Reluctant to Provide Information
- ☐ Customer Insisted to Use Less Secured Transaction Methods
- ☐ Politically Exposed Persons (PEP)
- ☐ Sanctions-related
- ☐ Shared Device NEW
- ☐ Suspected Counterfeit Document Presented by the Customers
- ☐ Suspected Money Courier / Unlicensed Money Service Operator

Accounts

- ☐ Account Operated / Controlled by Third-Party Other Than Signatory / Account Holder
- ☐ Non Resident Personal Account
- ☐ Offshore Account (e.g. BVI Bank Account)
- ☐ Shell Company Account
- ☐ N/A

National Security Related

- ☐ A person is suspected of committing an offence endangering national security
- ☐ Transactions with specified absconders under Safeguarding National Security Ordinance
- ☐ Transactions with prohibited organisations under Safeguarding National Security Ordinance
- ☐ Transactions with high NS risk counterparties
- ☐ Others (Please Specify) ....
- ☐ N/A

Other Suspicious Indicator

- ☐ Casino-related Suspicious Transaction
- ☐ Charitable Organisation / NPO-related Suspicious Transaction
- ☐ Others (Please Specify) ....
- ☐ N/A

STR Reporting in STREAMS 2 - STR Filing Format

Narrative Comment about the Suspicious Transactions

1. Triggering Factors

- [ ] Commission / Types / Association of Offence
- [ ] Evidence of Suspicious Transaction Patterns
- [ ] Intelligence Received from LEAs
- [ ] Material from Publicly Available Information (e.g. adverse news, SFC alerts)
- [ ] Receipt of Search Warrant / Court Order
- [ ] Upstream Scam Intervention

2. Background of Person / Organisation

3. Details of Investigation / Transaction Analysis

4. Conclusions / Action Taken / Way Forward

Reporting Party | Subject | Organisation | Account | Transaction | Suspected Crimes | **Suspicious Indicator**

- **Offence** (Fraud, Corruption, Sanction, Terrorist Financing, National Security, etc.)
- **Suspicious Transaction Patterns** (Substantial Cash Deposits, Temporary Repository of Funds, etc.)
- **Intelligence / Enquiry from LEAs** (e.g. JFIU, CSTCB, ADCC)
- **Publicly available information** (Adverse News, ICAC Press Release, Sanction, etc.)
- **Receipt of Search Warrant / Court Order**
- **Upstream Scam Intervention**

STR Reporting in STREAMS 2 - STR Filing Format

Narrative Comment about the Suspicious Transactions

1. Triggering Factors

- [ ] Commission / Types / Association of Offence
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2. Background of Person / Organisation

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Reporting Party | Subject | Organisation | Account | Transaction | Suspected Crimes | **Suspicious Indicator**

- **Nationality**
- **Type of ID document - HKID Holder, China Passport Holder, etc.**
- **Occupation / business nature, source of wealth, source of income**
- **Beneficial owner and other related organizations**

STR Reporting in STREAMS 2 - STR Filing Format

Narrative Comment about the Suspicious Transactions

1. Triggering Factors

- [ ] Commission / Types / Association of Offence
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2. Background of Person / Organisation

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4. Conclusions / Action Taken / Way Forward

Reporting Party | Subject | Organisation | Account | Transaction | Suspected Crimes | Suspicious Indicator

- Review Period
- Transactions and linkage with suspicious counterparts / third party, if any
- KYC / RFI result
- Open source information / details of the adverse news / sanction list with website links
- Findings on the digital footprints, if any

- Further review
- Exit relationship

STR Reporting in STREAMS 2 - Appropriate File Attachments

Transaction Records in Excel Format and clients instruction Records

Account opening mandate and agreements

Relevant Documents obtained during CDD Process

Records of Digital Footprints, if any

Reporting Party | Subject | Organisation | Account | Transaction | Suspected Crimes | **Suspicious Indicator**

Attachment

Account Opening Mandate / Document(s)

No.	Person / Account Holder *

Detailed Transaction Record(s)

No.	Person / Account Holder *

Other Bank / Institution Document(s)

No.	Person / Account Holder *

Other Document(s)

No.

Observations on STRs received from reporting entities of TCSPs

Common pitfalls	Suggestions
(1) Only include the adverse news link in the narrative part of the STR	Narrative comments, explanations and details should be included in the STR
(2) Only mention “refer to Attachment” in the narrative part of the STR	Narrative comment should be include in the STR Form. Only transactions or other supporting documents should be provided in form of attachment

Feedback from JFIU

Acknowledgement of Receipt

Consent / No Consent / Not Applicable

Quarterly STR Analysis published by JFIU

Meetings with stakeholders

Upcoming Arrangement for STREAMS 2

Final UAT

- STR Submission
- Check STR status including consent decision
- Receive LNC and Notification Letters from Police

Seminar to different sectors

- Starting from October and November 2025

Enquiry Hotline (General)

- Senior Inspector Owen TSE
- Tel: 3660 0533 / Email: owencytse@police.gov.hk

Enquiry Hotline (Technical)

- System Analyst Mr. Christopher CHAN
- Tel: 3660 9682 / Email: christopherchan@police.gov.hk

TIMELINE OF LAUNCHING STREAMS 2

01

Sept 2025

Deadline of submitting email address for STREAMS 2 login during UAT

02

Oct - Nov 2025

Final UAT for reporting entity

03

Oct - Nov 2025

Seminars for industries practitioners

04

Dec 2025 – Jan 2026

Arrange account opening of STREAMS 2

05

Jan 2026 (Tentatively)

Launch of STREAMS 2

Financial Intelligence and Investigation Bureau
Hong Kong Police Force

COMMON TYPOLOGIES AND CASE SHARING

Common Typologies of using TCSPs in Money Laundering

(1) **Layering through Corporate Vehicles**

(2) **Obscuring Beneficial Ownership**

(3) **Setting up shell or front companies**

Case sharing

- Adverse News

- Clients (persons or companies) under sanction lists

- Virtual Assets' transactions to high risk jurisdiction / wallets with TF and scam risk


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Join the Election Together We Create the Future
2025立法會換屆選舉
Legislative Council General Election
12月7日
7 DEC
齊投票!
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THANK YOU

FOR YOUR ATTENTION

More Information:
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