Requirements Relating to Financial Sanctions, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction (For Trust or Company Service Provider Licensees)





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Financial Sanctions



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).



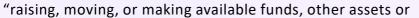


TCSP licensees **MUST NOT** have any business relationship with any individuals or entities sanctioned under relevant regulations of UNSO, or any terrorist or terrorist associate as defined under the UNATMO.

Counter-Financing of Proliferation of Weapons of Mass Destruction

Definition provided by Financial Action Task Force ("FATF")-

Proliferation financing refers to the act of:



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 nonlegitimate purposes.)"

TCSP licensees 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)

FATF

i)

Please refer to the "Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Trust or Company Service Provider Licensees)" and FATF's "Guidance on Proliferation Financing Risk Assessment and Mitigation" for more information.

What should TCSP licensees 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.

