

23 February 2018

Our Ref: INS/TEC/6/45

To : Chief Executives of all authorized insurers
carrying on long term business

Dear Sirs,

Amendments to the Guideline on Anti-Money Laundering and Counter-Terrorist Financing

We are writing to inform you that the revised Guideline on Anti-Money Laundering and Counter-Terrorist Financing (“GL3”) has been published in the Gazette (G.N. 155 of 2018) today to reflect the recently enacted Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Ordinance 2018 (“Amendment Ordinance”) and make corresponding amendments.

The amendments, which are more relevant to the insurance sector, include –

- (a) aligning the threshold of defining beneficial ownership from the current “not less than 10%” to “more than 25%”, having regard to the prevailing FATF standard and international practice;
- (b) introducing flexibility to measures permitted to be taken for verifying a customer’s identity, in the light of technological development in the methods used by financial institutions for obtaining information relating to customers;
- (c) permitting financial institutions to rely on foreign financial institutions within the same financial group as intermediaries to carry out CDD measures; and
- (d) changing the record-keeping period from “six years” to “at least five years”.

The revised GL3 will come into effect on 1 March 2018. A copy of the revised GL3 (showing marked-up changes against the previous version) is attached at Appendix A (English version) and Appendix B (Chinese version) for your information. The revised GL3 is also available on the Government’s website <http://www.gld.gov.hk/egazette> and our website <http://www.ia.org.hk>.

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You should review your existing policies and procedures in light of the amendment reflected in the revised GL3 and take appropriate measures in ensuring continued compliance with all applicable requirements under the revised GL3.

Should you have any enquiries on the above, please contact Mr Raven Chan at 3899 9754 or Mr Kevin Suen at 3899 9759.

Yours faithfully,

Dickson Chui
Senior Manager
Market Conduct Division
Insurance Authority

c.c. Chairman, The Hong Kong Federation of Insurers

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