

AML Monitoring Questionnaire

Explanatory note

Question 2

The Anti-Money Laundering ("AML") and Counter-Terrorist Financing (Financial Institutions) (Amendment) Ordinance 2018 ("AMLO"), effective on 1 March 2018, extends the scope of the AMLO to cover designated non-financial businesses and professions, including accountants. The Institute issued guidelines on Anti-Money Laundering and Counter-Terrorist Financing for Professional Accountants ("AML Guidelines") as part of the Code of Ethics ("the Code") and practices¹ are required to carry out certain AML policies and procedures when they, by way of business, prepare for or carry out for clients any of the specified transactions as set out in paragraphs 600.2.1 and 600.2.2 of Part F of the AML Guidelines in the Code from 1 March 2018. A copy of the AML Guidelines can be downloaded by clicking the following link:

http://www.hkicpa.org.hk/file/media/section5_membership/Professional%20Representation/aml/HKICPA_AML_Enforceable_GLs_Feb2018_20180228.pdf

and the definition of specified transactions is reproduced below for easy reference:

Specified transactions

Specified transactions are:

- (a) buying or selling of real estate;
- (b) managing of client money, securities or other assets;
- (c) management of bank, savings or securities accounts;
- (d) organisation of contributions for the creation, operation or management of corporations;
- (e) creation, operation or management of legal persons or arrangements;
- (f) buying or selling of business entities;
- (g) forming corporations or other legal persons;
- (h) acting as, or arranging for another person to act as, a director or secretary of a corporation, a partner of a partnership, or a similar position in relation to other legal persons;
- (i) providing a registered office, business address, correspondence or administrative address for a corporation, a partnership or any other legal person or arrangement;
- (j) acting as, or arranging for another person to act as, a trustee of an express trust or similar legal arrangement; or
- (k) acting, or arranging for another person to act, as a nominee shareholder for a person other than a corporation whose securities are listed on a recognized stock market.

¹ Practices referred to in the AML guidelines includes (a) practice units under the Professional Accountants Ordinance; (b) trust or company service providers, where the proprietors, partners or directors are members and; (c) members working in practices.