

AML Monitoring Questionnaire

Important Note

Below are the contents of the questionnaire for your easy reference. Please note that the questionnaire is required to be completed and submitted on-line on or before **13 January 2019** and **hard copy submission will not be accepted.**

The information requested by this questionnaire refers to your practice's own work and status unless specified otherwise. Services or work provided by affiliated entities of your practice **do not count** as your practice's services or work. Some specified questions relate to the period from 1 March 2018, the effective date of the amended **Anti-Money Laundering and Counter-Terrorist Financing Ordinance** ("AMLO"), to 31 October 2018, the cut off date of the questionnaire.

1. Provision of professional services

(a) Does your practice offer any of the following professional services?

- audit and assurance
- tax compliance and advisory
- book keeping, accounting and payroll administration services
- trust and company services (including company secretarial services)
- corporate finance and company listing
- due diligence work for mergers and acquisitions
- liquidation and restructuring services

(Please choose only one of the following)

- Yes (required to indicate which categories of professional services in question 1(b) below)
- No, because it is currently dormant or inactive
- No, please provide reasons: _____

[If answer to question 1(a) is "Yes", please answer 1(b)]

(b) Please indicate the professional service(s) that your practice offers:

(Can choose more than one of the following)

- audit and assurance
- tax compliance and advisory
- book keeping, accounting and payroll administration services
- trust and company services (including company secretarial services)

- corporate finance and company listing
- due diligence work for mergers and acquisitions
- liquidation and restructuring services

2. Specified transactions falling within the scope of AMLO

(Please refer to Explanatory Note for the meaning of specified transactions)

- (a) Was your practice engaged to prepare for or carry out specified transactions during the period from 1 March 2018 to 31 October 2018?

(Please choose only one of the following)

- Yes
- No

[If answer to question 2(a) is "Yes", please answer 2(b) and (c)]

[If answer to question 2(a) is "No", please continue to answer 2(b) but skip 2(c) - 11]

- (b) Does your practice have any intention to accept (further) work to prepare for or carry out specified transactions in future (i.e. after 31 October 2018)?

(Please choose only one of the following)

- Yes (reminder: Please be reminded that your practice must have necessary policies, procedures and other controls in place before your practice undertakes work to prepare for or carry out specified transactions)
- No

[If answers to question 1(a) is "No, because it is currently dormant or inactive", and questions 2(a) and 2(b) are "No", please skip 2(c) to 14.]

- (c) Has your practice established written policies and procedures and developed/implemented relevant appropriate controls (including risk-based customer due diligence ("CDD") procedures and ongoing monitoring, record keeping, suspicious transaction reporting and staff hiring and training) for engaging in work to prepare for or carry out specified transactions?

(Please choose only one of the following)

- Yes, please specify the effective date/ latest update: _____
- No, please explain: _____

Business information

3. Number of clients engaging your practice to prepare for or carry out specified transactions from 1 March 2018 to 31 October 2018:

(Please choose only one of the following)

- 0
- 1- 10
- 11-20
- 21-30
- 31-40
- 41-50
- > 50

4. Nature of specified transactions:

(Can choose more than one of the following)

- buying or selling of real estate
- managing of client money, securities or other assets
- management of bank, savings or securities accounts
- organisation of contributions for the creation, operation or management of corporations
- creation, operation or management of legal persons or arrangements
- buying or selling of business entities
- forming corporations or other legal persons
- acting as, or arranging for another person to act as, a director or secretary of a corporation, a partner of a partnership, or in a similar position in relation to other legal persons
- providing a registered office, business address, correspondence or administrative address for a corporation, a partnership or any other legal person or arrangement
- acting as, or arranging for another person to act as, a trustee of an express trust or similar legal arrangement
- 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

5. Has your practice conducted a firm-wide anti-money laundering and counter-terrorist financing risk assessment and risk assessment of its client base to meet the requirements of the AMLO?

(Please choose only one of the following)

- Yes, please specify the effective date/ latest update: _____
- No, please explain: _____

6. Before establishing business relationships with clients or before carrying out transactions for clients, has your practice been taking appropriate CDD measures to identify and verify the identity of the client and their beneficial owners to meet the requirements of the AMLO?

- Yes
 No, please provide reasons: _____

7. Has your practice been carrying out enhanced CDD measures when dealing with situations which present a high risk of money laundering or terrorist financing ("ML/TF") (e.g. clients that have not been physically present for identification purposes or who are politically exposed persons) to meet the requirements of the AMLO?

- Yes
 No, please provide reasons: _____

8. Has your practice been keeping records of customers obtained through customer due diligence measures throughout the continuance of the business relationships with the clients to meet the requirements of the AMLO?

- Yes
 No, please provide reasons: _____

9. Has your practice provided staff with appropriate training on prevention and detection of ML/TF activities, including training to raise their awareness of business practices against ML/TF?

- Yes, please state the date of last training: _____
 No, please provide reasons: _____

10. Has your practice provided staff with written policies or guidelines in relation to: the conduct of CDD, including enhanced CDD for high risk clients and simplified CDD for specified lower risk clients; criteria for identifying and reporting suspicious transactions; avoidance of "tipping off"; and application of other relevant anti-money laundering and counter-terrorist financing measures?

- Yes
 No, please provide reasons: _____

11. Has your practice carried out a compliance review of implementation of its policies and procedures in order to ensure compliance with the AMLO?

- Yes, please specify the latest review date: _____
- No, please provide reasons: _____

12. (a) Has your practice appointed a Money Laundering Reporting Officer (MLRO) in accordance with the Institute's Guidelines on Anti-Money Laundering and Counter-Terrorist Financing for Professional Accountants ("AML Guidelines")?

- Yes, please specify name(s) of MLRO: _____
- No, please provide reasons: _____

(b) Has your practice appointed a Compliance Officer (CO) who is responsible for the establishment and maintenance of your practice's anti-money laundering and counter-terrorist financing controls?

- Yes, please specify name(s) of CO: _____
- No, please provide reasons: _____

13. Has your practice put in place a system or procedures to submit suspicious transaction reports to the MLRO, and through the MLRO, to the Joint Financial Intelligence Unit (JFIU), in accordance with the Organized and Serious Crimes Ordinance (Cap. 455), Drug Trafficking (Recovery of Proceeds) Ordinance (Cap. 405) and United Nations (Anti-Terrorism Measures) Ordinance (Cap. 575) and the AML Guidelines?

- Yes
- No, please provide reasons: _____

14. How many suspicious transaction reports has your practice filed with the JFIU since 1 March 2018?

- 0
- 1
- 2
- 3
- 4
- 5
- >5

Affiliated entities

15. (a) Does any of the practitioners (Note 1) of your practice or your practice own, control or jointly control an entity (other than a practice unit (Note 2) that carries out or is prepared to accept work, by way of business, to prepare for or carry out specified transactions for clients?

Note 1: Practitioners take the meaning of (1) the sole proprietor in case of a sole proprietorship, (2) the partners in case of a firm of CPA (practising) and (3) the directors in case of a corporate practice.

Note 2: A practice unit takes the meaning of a CPA (practising), a firm of CPA (practising) or a corporate practice as it is defined under the Professional Accountants Ordinance.

(Please choose only one of the following)

- Yes
 No

[If answer to question 15(a) is "Yes", please answer 15(b)]

- (b) **The relevant entity/entities referred to in the answer to question 15(a) above is/are:** (Please input the name of each relevant entity in the corresponding area in Table A or Table B depending on whether it is a Trust or Company Service Provider ("TCSP") Licensee registered with the Hong Kong Companies Registry ("CR"))

Table A (Registered with CR as TCSP Licensees)

	Please specify the name(s)
Sole proprietorship(s)	
Partnership(s)	
Corporation(s)	

Table B (Not registered with CR as TCSP Licensees)

	Please specify the name(s)
Sole proprietorship(s)	
Partnership(s)	
Corporation(s)	

16. **Other comments**

Below is a text box for you to supplement your answers to each question if necessary. Please note that supplementary answers are not mandatory. This facility is available in case you wish to share something about your specific circumstances.

Narrative box

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.