

Our Ref: INS/TEC/6/45

8 July 2022

To : Chief Executives / Responsible Officers of all insurance institutions (“IIs”)<sup>1</sup>

Dear Sirs,

**Hong Kong’s Money Laundering and Terrorist Financing (“ML/TF”) Risk Assessment Report (“HRA Report”)**

We are writing to draw your attention to the latest HRA Report published by the Government today. To ensure that Hong Kong’s anti-money laundering and counter terrorist financing regime continues to address the challenges of evolving market developments, the Government updates the ML/TF risk assessment from time to time, positioning it to implement mitigating measures in response to relevant risks based on up-to-date assessment results. This latest report presents the findings of Hong Kong’s latest ML/TF risk assessment, completed in 2021.

The HRA Report is available on the Government’s website (<https://www.fstb.gov.hk/fsb/aml/en/risk-assessment.htm>).

Institutional ML/TF Risk Assessment (“IRA”)

Paragraph 2.2 of the GL3 requires each II which is subject to GL3, to conduct an IRA to identify, assess and understand its ML/TF risks. As required by paragraph 2.6 of the GL3, an IRA should consider any higher risks identified in the HRA Report, in particular those in Chapter 5.5 concerning the assessment of ML risks of the insurance sector.

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<sup>1</sup> Definition of IIs should be construed in conjunction with the Guideline on Anti-Money Laundering and Counter-Terrorist Financing (“GL3”), i.e. authorized insurers and reinsurers carrying on long term business, and licensed individual insurance agents, licensed insurance agencies and licensed insurance broker companies carrying on regulated activities in respect of long term business.

Should you have any enquiries regarding the above, please contact Mr Steven Ho at 3899 9752 or Mr James Luo at 3899 9773.

Yours faithfully,

Dickson Chui  
Senior Manager  
Market Conduct Division  
Insurance Authority

c.c. Chairman, The Hong Kong Federation of Insurers  
Professional Insurance Brokers Association  
The Hong Kong Confederation of Insurance Brokers