

保險業監理處

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來函檔號 Your ref.

21 March 2014

電話 Tel. **2867 2711**

To : Chief Executives of all authorized insurers

Dear Sirs,

**Money Laundering and Terrorist Financing Risks**  
**Associated with Virtual Commodities**

We refer to our circular of 29 January 2014 to you giving guidance on measures to mitigate the money laundering and terrorist financing (“ML/TF”) risks associated with virtual commodities such as Bitcoin, and the recent press statement issued by the Hong Kong Government on 14 March 2014 warning the public of various risks associated with any trading or dealing in virtual commodities which we have brought to your attention on the same date.

In the above connection, we would like to remind you again to exercise increased vigilance commensurate with ML/TF risks associated with virtual commodities. In particular, you should exercise caution in assessing relevant ML/TF risks when establishing or maintaining business relationships with potential or existing customers who are operators of schemes or businesses related to virtual commodities<sup>1</sup>, and take additional customer due diligence measures and perform enhanced ongoing monitoring of activities of any such customer to detect suspicious transactions. You should also be mindful of your statutory duty to report suspicious transactions to the Joint Financial Intelligence Unit.

Should you have any enquiries on the above, please contact Ms Cindy Leung at 2153 2756 or Mr Wilson Choy at 2153 2748.

Yours faithfully,

(Miss Nancy Chien)  
for Commissioner of Insurance  
(Insurance Authority)

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

<sup>1</sup> Examples are entities operating virtual commodities exchange, brokerage or transaction processing services (including provision of machines/channels that facilitate the sale and purchase of virtual commodities).