



# Suspicious Transaction Report

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# ABOUT JFIU

## Financial Investigation Division

- Responsible for money laundering and terrorist financing investigation and prosecution

## Joint Financial Intelligence Unit

- Processes and analyses suspicious transaction reports
- Exchanges financial intelligence with local and overseas law enforcement agencies (LEAs) as well as overseas Financial Intelligence Units (FIUs)
- Maintains close liaison with banks and other stakeholders

## Headquarters

- Looks after AML/CFT policy and legislation matters
- Conducts strategic analysis and ongoing territory-wide risk assessment
- Provides training and outreach



# ABOUT JFIU

**Financial Institutions &  
Designated Non-  
Financial Businesses  
and Professions**

**Law Enforcement  
Agencies**

**Overseas Financial  
Intelligence Units**



**Policy Bureaux**

**Regulators**

**Professional Bodies**



# ABOUT JFIU

## ← Public-Private Partnership →

### Reporting Entities

#### F.I. & DNFBPs

- CDD/ KYC
- Record Keeping
- Internal Control & Measures
- STR Filing

### JFIU

#### JFIU

- Processing of STRs
- Intelligence Exchange
- International Collaboration
- Training & Outreach

### LEAs

#### HKPF/ C&ED/ ICAC

- Financial Investigation
- Asset Tracing
- Restraint & Confiscation
- Mutual Legal Assistance



# ABOUT JFIU

**Reporting  
Entities**

**Financial  
Intelligence  
Unit**

**Law  
Enforcement  
Agencies**



**STR**



**Analysis**



**Financial  
Investigation**

***(Useful) Information***

***Intelligence***

***Evidence***

# KEY LEGISLATIONS



1989

**Drug Trafficking  
(Recovery of  
Proceeds)  
Ordinance**

(DTROP, Cap.405)



1994

**Organised and  
Serious Crimes  
Ordinance**

(OSCO, Cap.455)



2002

**United Nations  
(Anti-Terrorism  
Measures)  
Ordinance**

(UNATMO, Cap.575)



2012, 2018

**Anti-Money  
Laundering and  
Counter-Terrorist  
Financing  
Ordinance**

(AMLO, Cap.615)



# KEY LEGISLATIONS (AML)

**Any person**

- **Knowing or having reasonable grounds to believe**
- **Any property**
- **In whole or in part directly or indirectly represents proceeds of drug trafficking / indicatable offence**
- **Deals with that property**

**Max. Penalty: HK\$5M Fine & 14-Year Imprisonment**

**DTROP**

s. 25, Cap. 405

**OSCO**

s. 25, Cap. 455



# KEY LEGISLATIONS (CFT)

Any person shall not

- **Provide or collect** by any means directly or indirectly
- **Any property**
- **With the intention that the property be used or knowing that the property will be used**
- **In whole or in part to commit one or more terrorist acts**

*Max. Penalty: Fine & 14-Year Imprisonment*

UNATMO

s.7, Cap. 575



# KEY LEGISLATIONS (STR)

**Any person**

**- Knows or suspects**

**- Any property represents/ was used/ is intended to be used in connection with the proceeds of indictable offence/ drug trafficking / terrorist property**

**- Should disclose that knowledge or suspicion to an authorized officer (i.e. JFIU officers) as soon as reasonable.**

***Max. Penalty: Level 5 Fine & 3-Month Imprisonment***

**DTROP**

s. 25A(1),  
Cap. 405

**OSCO**

s. 25A(1),  
Cap. 455

**UNATMO**

s. 12(1),  
Cap. 575



# KEY LEGISLATIONS (STR – TIPPING OFF)

Where a person

- **Knows or suspects** that a disclosure has been made
- The person **shall not disclose to another person** any matter
- Which is **likely to prejudice any investigation** which might be conducted following that first-mentioned disclosure

**Max. Penalty: HK\$500,000 Fine & 3-Year Imprisonment**

**DTROP**

s. 25A(5),  
Cap. 405

**OSCO**

s. 25A(5),  
Cap. 455

**UNATMO**

s. 12(5),  
Cap. 575



# STR CONTENT

- Legal Requirement
- Apply to everyone
- Knowledge and suspicion-based reporting

## Reporting Mechanism:-

- No threshold or cross boundary reporting
- Legal protection from civil or criminal liability
- After reporting, no tipping off
- The source of the report is protected



# HOW TO FILE QUALITY STR

『SAFE』

**Screen**

**subject entities' backgrounds & transactions**

**Ask**

**appropriate questions to clarify circumstances**

**Find**

**relevant records for review**

**Evaluate**

**whether suspicion is substantiated**



# RISK INDICATORS

## Client

- Politically Exposed Person?
- Company from high risk country?
- No known nexus with HK?

## Transaction

- Payment from 3rd party/ cashier order?
- Unusual high/ low payment?
- Unexpected amount of transactions?
- Transacted with unrelated parties/ jurisdiction?
- Premature termination of policy?

# RISK INDICATORS

## Previous Records/ Further Enquiries

- Background Check/ Open Source (*adverse news*)
- Failing to disclose specific role/ relationship/ ownership of income
- Unwilling to response to questions or answers are not convincing
- Unwilling to provide supporting document

## Evaluation

- Information from client is incommensurate with your record in hand?
- Information from client could not be verified?
- The client appeared to be a stooge in the transaction?



# STR REPORTING

## How to submit an STR?

Suspicious transaction reports can be made in one of the following ways:



- by e-reporting system, STREAMS
- by email to [jfiu@police.gov.hk](mailto:jfiu@police.gov.hk)



- by fax to : (852) 2529 4013



- by mail, addressed to Joint Financial Intelligence Unit, GPO Box 6555 Hong Kong



- by telephone (852) 2866 3366 (for urgent reports during office hours)

If you want to file an STR via STREAMS, you have to complete **the application form** and return to the JFIU either by fax (2529 4013) or email ([jfiu@police.gov.hk](mailto:jfiu@police.gov.hk)). If you need any further information, please feel free to contact the JFIU.

### Suspicious Transaction Report And Management System (STREAMS)

# STR REPORTING

STR Summary Reporting Body Subject Organization Phone Address Account Transaction  
Suspected Crimes Suspicious Indicators Open Source Info. Entity Lists Check Save Print

## Subject

Sequence No: 1

English Name:	Family Name:	Given Name:	Middle Name:
Chinese Name:	CCC:	HKID:	
Other ID	Type:	if Others:	
	ID No.:	Country:	
DOB:	Gender:	Occupation:	
Nature:			
Phone:			
Email:			
Address:			
Additional Information:			

STR Summary Reporting Body Subject Organization Phone Address Account Transaction  
Suspected Crimes Suspicious Indicators Open Source Info. Entity Lists Check Save Print

## Account

Sequence No: 1

Account Institution:			
Account Number:	Account Type:	if Others:	
Opening Date:	Closing Date:		
Balance:	Currency: HKD	Amount:	Date:
Related Person:	Role:	if Others:	
Related Company:	Role:	if Others:	
Additional Information:			

# RECOMMENDED STRUCTURE OF STR

- 1) Triggering Factors
- 2) Background of Subject(s)
- 3) Transactions
- 4) CDD/ KYC and Open Source Information
- 5) Conclusion and Way Forward



# RECOMMENDED STRUCTURE OF STR

## Triggering Factors

- Involved crimes (*e.g. Fraud/ Corruption/ Sanctions/ Terrorist Acts etc.*)
- Warrants/ Court Orders received
- Open source information (*e.g. News/ List of Regulatory Agencies etc.*)
- Pattern of suspicious transactions (*e.g. Large Tx/ Temp. Repository of Funds*)

## Background of Subject(s)

- Individual: Age/ Occupation/ Income/ Tx History etc.
- Corporation: Date of Est./ Business Nature/ Office Address/ Expected Tx Amount etc.

# RECOMMENDED STRUCTURE OF STR

## Transactions

- Review period
- Fund movement pattern (e.g. *Sudden change?*)
- Total deposited/ withdrawal amount
- Suspicious transaction patterns (e.g. *test payment/ counterparties etc.*)

## CDD/ KYC and Open Source Information

- Suspicious indicators (e.g. *KYC/ World Check etc.*)
- Links of open source information/ adverse news

## Conclusion and Way Forward

- Conclusion of the report
- Follow-up actions (e.g. *Enhanced CDD measures/ Exit Relationship etc.*)





# STR FEEDBACK

1) Acknowledgement of Receipt

2) Consent/ No Consent/ N/A

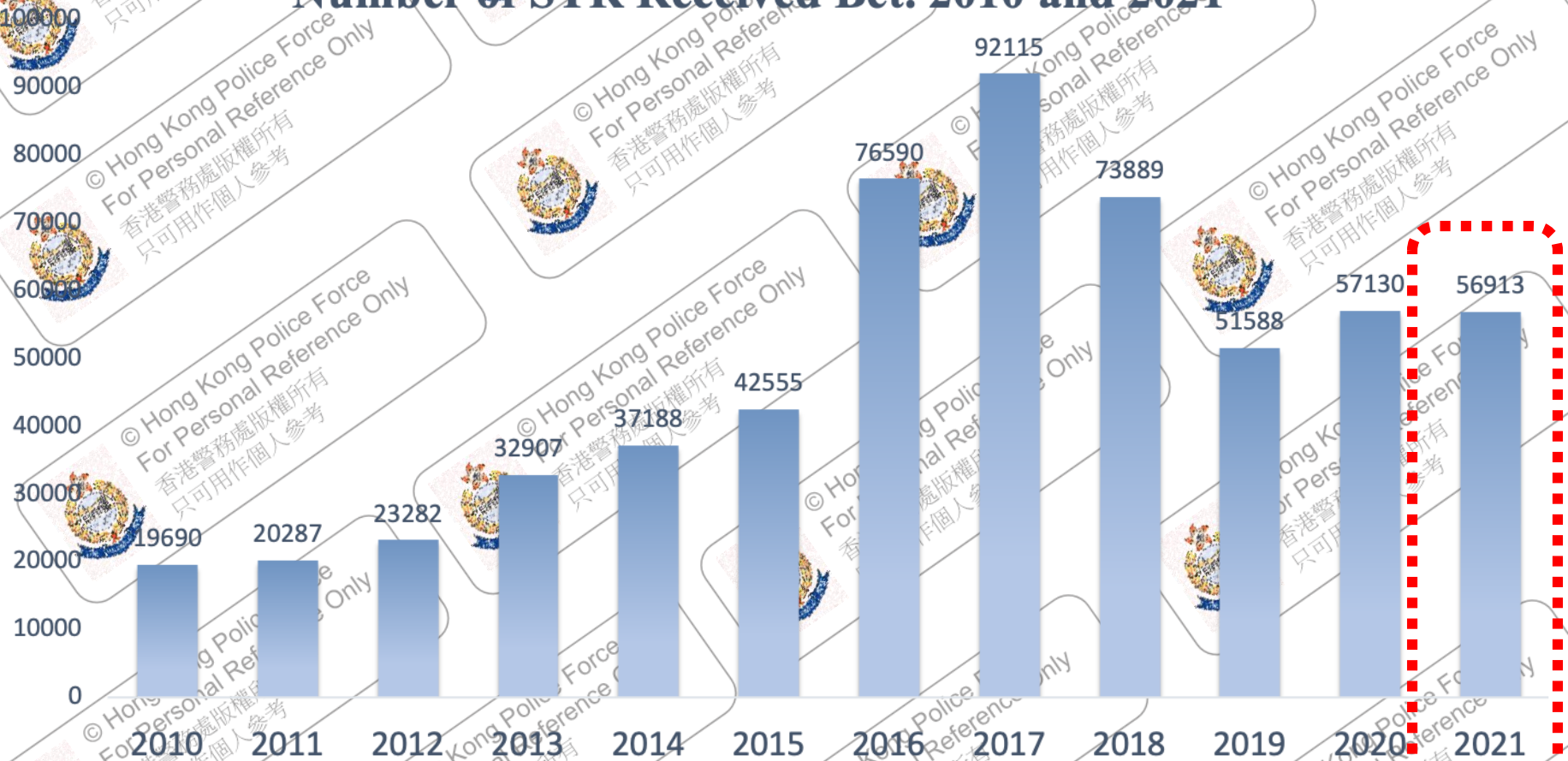
3) Quarterly STR Analyses

4) Meetings with Stakeholders



# STR STATISTICS

## Number of STR Received Bet. 2010 and 2021

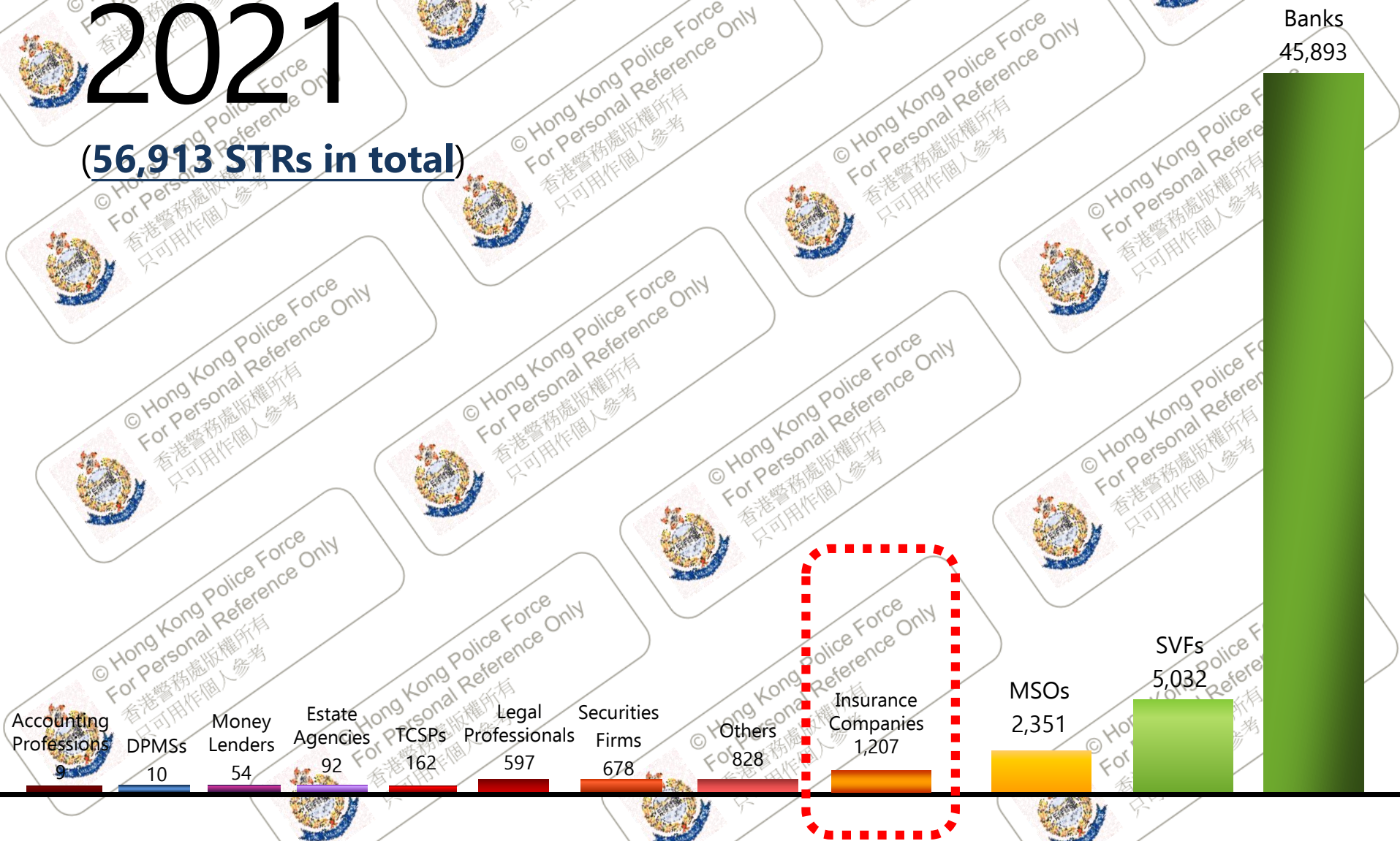




# STR STATISTICS

# 2021

**(56,913 STRs in total)**



# THANK YOU!



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