

The Hong Kong Chartered Governance Institute

AML/CFT Certificate Course

Course Outline (17 ECPD hours)

Session One: Overview (Duration: around 260 mins)		
Module	Coverage	Speakers
	<p>Introduction</p> <ul style="list-style-type: none"> Course purpose, structure and participants Recognition of the Institute's work by Hong Kong Government under Hong Kong National Risk Assessment Market opportunities in the trust and company service provider (TCSP) sector, crypto market, etc. 	<p>Mr Edmond Chiu FCG HKFCG(PE) <i>Council Member and Chairman of Professional Services Panel, The Hong Kong Chartered Governance Institute; Managing Director, Corporate Services, Vistra Corporate Services (HK) Limited</i></p>
1.1	<p>Elements of money laundering, placement, layering and integration with case examples</p> <ul style="list-style-type: none"> What is money laundering (ML) Three stages in the money laundering cycle ML offence in Hong Kong Cross border ML syndicate (example) 	<p>Mr Samuel Lung FCG HKFCG <i>Partner, Financial Services Business Consulting, Greater China Financial Crime Compliance Leader, Ernst & Young</i></p>
1.2	<p>International cooperation and formation of the Financial Action Task Force (FATF)</p> <ul style="list-style-type: none"> History of the FATF FATF 40 Recommendations Objectives International cooperation 	<p>Mr Samuel Lung FCG HKFCG <i>Partner, Financial Services Business Consulting, Greater China Financial Crime Compliance Leader, Ernst & Young</i></p>
1.3	<p>FATF 40 Recommendations, including FATF Recommendation 22 on TCSP Sector</p> <ul style="list-style-type: none"> Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) policies and coordination ML and confiscation Terrorist financing and financing of proliferation Financial and non-financial institution preventive measures Transparency and beneficial ownership of legal persons and arrangements 	<p>Mr Samuel Lung FCG HKFCG <i>Partner, Financial Services Business Consulting, Greater China Financial Crime Compliance Leader, Ernst & Young</i></p>

	<ul style="list-style-type: none"> • Powers and responsibilities of competent authorities, and other institutional measures • International cooperation • TCSP 	
1.4	<p>Adaption under Hong Kong Ordinances from Drug Trafficking (Recovery of Proceeds) Ordinance (DTROP) to Organized and Serious Crimes Ordinance (OSCO) and now Anti-Money Laundering Ordinance (AMLO)</p> <ul style="list-style-type: none"> • DTROP • OSCO • AMLO • Case studies 	<p>Mr Samuel Lung FCG HKFCG <i>Partner, Financial Services Business Consulting, Greater China Financial Crime Compliance Leader, Ernst & Young</i></p>
1.5	<p>Predicate offences and Hong Kong approach of not needing to prove underlying predicate offences, with discussions of Hong Kong Court of Final Appeal (CFA) cases</p> <ul style="list-style-type: none"> • HKSAR v Pang Hung Fai • HKSAR v Harjani Haresh Murlidhar 	<p>Mr Samuel Lung FCG HKFCG <i>Partner, Financial Services Business Consulting, Greater China Financial Crime Compliance Leader, Ernst & Young</i></p>
1.6	<p>AML/CFT legal development</p> <ul style="list-style-type: none"> • Overlapping TCSP and Law Society regulations • Insights and developments from the regulations • Areas of concern from the regulations 	<p>Mr Michael Lintern-Smith FCG HKFCG <i>Roll of Honour, Solicitor and Consultant, Robertsons</i></p>
1.7	<p>Suspicious Transaction Reporting (STR)</p> <ul style="list-style-type: none"> • The statutory requirements • A statutory defence • Obligations of TCSP licensees • The Safe Approach • When and how to report • Internal reporting • How to submit STR • Keeping of records • Post-reporting matters • Case study • Implications for financial institutions 	<p>Ms Amanda Diep <i>Director, Regional Head of Compliance, North Asia, Vistra (until Jan 2024)</i></p>

Session Two: TCSP Sectoral Regulations (Duration: around 240 mins)		
2.1	<p>Overview of regulation of the TCSP sector by the Companies Registry as Regulator</p> <ul style="list-style-type: none"> • Licensing Regime for TCSP • Fit-and-proper test and exemption • Application and renewal of TCSP licence • Compliance officer and money laundering reporting officer • Licensing requirements • Enforcement of licensing regime • Risk-based approach and risk factor <p>Anti-money laundering and counter-terrorist financing requirements for TCSPs</p> <ul style="list-style-type: none"> • Customer due diligence • Simplified customer due diligence • Enhanced customer due diligence • Ongoing monitoring • Record-keeping • Financial sanctions • Terrorist financing • Financing of proliferation of weapons of mass destruction • Reporting suspicious transactions 	<p>Ms Ida Lee <i>Deputy Registry Manager (Trust and Company Service Providers), Companies Registry</i></p> <p>Ms Christy Yiu <i>Senior Solicitor (Trust and Company Service Providers), Companies Registry</i></p>
2.2	<p>Assessing Risk and Applying a Risk-Based Approach (RBA)</p> <ul style="list-style-type: none"> • Obligations of TCSP licensees • AML/CFT systems • Proper implementation of policies and procedures • Employee screening • Independent audit function • Assessing AML Risk • AML Risk Factors • Screening for additional risk factors • Indictable offences under ML • Assigning AML Risk Rating • Documenting risk assessment • Applying RBA to Customer Due Diligence (CDD) • CDD • Designing for exceptions • Simplified due diligence (SDD) • Enhanced due diligence (EDD) • Politically Exposed Persons (PEPs) • Charities/Non-Profit Organisations • Ongoing Monitoring 	<p>Ms Amanda Diep <i>Director, Regional Head of Compliance, North Asia, Vistra (until Jan 2024)</i></p>

2.3	<p>Special Topics</p> <p>Significant controllers/ultimate beneficial owner identification</p> <ul style="list-style-type: none"> • Transparency and beneficial ownership of legal persons and arrangements • Combating misuse <p>TCSP Licensing and renewal requirements</p> <ul style="list-style-type: none"> • Companies Registry random audits of TCSP licensees 	<p>Mr Dudley Tyen <i>Director, Financial Services Business Consulting, Ernst & Young</i></p>
Session Three: Onboarding (Duration: around 120 mins)		
3.1	<p>Financial sanctions and terrorist financing</p> <ul style="list-style-type: none"> • What is sanction • Primary sanctions regimes • United Nations (UN) sanctions overview • Hong Kong sanctions regime • Sanctions imposed by other jurisdictions • Terrorist financing • Definition of terrorist property • Combating proliferation financing • Database maintenance and screening • Screening obligations 	<p>Ms Amanda Diep <i>Director, Regional Head of Compliance, North Asia, Vistra (until Jan 2024)</i></p>
3.2	<p>Checklist contents and case sharing</p> <p>AML Policies, Procedures and Controls (APPC) Best Practices</p> <ol style="list-style-type: none"> 1. Common ML typologies 2. Internal policies, procedures and controls 3. RBA 4. CDD 5. Enhanced CDD 6. STRs <p>How technology helps daily operations</p>	<p>Mr Martin Lim <i>Founder & CEO, Ingenique Solutions</i></p> <p>Ms Lydia Lau <i>Senior Sales Executive, Ingenique Solutions</i></p>
3.3	<p>Opening of bank accounts</p> <ul style="list-style-type: none"> • Steps to set up bank accounts • Documents required • Interview • Role of the Hong Kong Monetary Authority (HKMA) • Common topics during the interview • Documents certification and signature verification 	<p>Ms Teresa Lau ACG HKACG <i>Vice-Chairman of Professional Services Panel, The Hong Kong Chartered Governance Institute; Director and Head of Corporate Secretarial Services, BDO Limited</i></p>

Session Four: Trusts (Duration: around 70 mins)		
4.1	<p>CR Guidance on trusts due diligence</p> <ul style="list-style-type: none"> • Types of trusts • Introducing family trusts • Comparison of trust structures • Applicable CR TCSP Guidelines 	<p>Mr Michael Shue <i>Managing Director - Trust Services, Tricor Services Limited</i></p>
Session Five: Offshore Jurisdiction Due Diligence (Duration: around 165 mins)		
5.1	<p>Offshore regimes</p> <ul style="list-style-type: none"> • Offshore Companies in North Asia • Comparison of Jurisdictions • Cayman Islands -in Overview • British Virgin Islands (BVI) - in Overview • 5 Due Diligence • Practical Applications for Cayman and BVI Companies • Listco Work • Banking and Property Deals • Challenges to Offshore 	<p>Mr Leon Mao <i>Head of Advisory - Managing Director, North Asia, Vistra</i></p>
5.2	<p>Taxation</p> <p>Certificate of Resident Status (COR)</p> <ul style="list-style-type: none"> • What is COR • Case sharing • Factors considered by Inland Revenue Department (IRD) • Building substance • IRD information review <p>Hong Kong's Foreign Sourced Income Exemption (FSIE) Regime</p> <ul style="list-style-type: none"> • European Review of HK's FSIE • European Guidance • HK Assessment • HK Reform Roadmap • Guiding Principles • Economic substance requirement • Nexus requirement • Participation requirement • Double taxation relief • Compliance • Practical issues • Potential impacts 	<p>Mr Lee Chee Weng FCG HKFCG <i>Global Head of Tax, Tricor Services Limited</i></p> <p>Mr Steven Wong <i>Associate Tax Director, Tricor Services Limited</i></p> <p>Ms Rachel Cheung <i>Tax Manager, Tricor Services Limited</i></p>

Session Six: Special Topics (Duration: around 175 mins)		
6.1	<p>Regulating Virtual Asset Service Providers/trading platform operators – from a compliance perspective</p> <ul style="list-style-type: none"> • Financial Services and the Treasury Bureau (FSTB) reforms on virtual assets service providers • Background • Types of Virtual Assets • Licensing Regime • Licensing Requirements • Transitional Arrangements • Securities and Futures Commission (SFC) Enforcement Powers • Latest development from regulators 	<p>Mr Daniel Wong FCG HKFCG <i>Associate Director - Compliance and Risk Management, SWCS Corporate Services Group (Hong Kong) Limited</i></p>
6.2	<p>The Dealers in Precious Metals and Stones (DPMS)</p> <p>Best Practices for DPMS guideline compliance</p> <ol style="list-style-type: none"> 1. ML stages 2. Case study 3. Key laws, regulations and guidelines 4. Regulated Activities 5. Internal policies, procedures and controls 6. RBA 	<p>Mr Martin Lim <i>Founder & CEO, Ingenique Solutions</i></p>

Note:

The Hong Kong Chartered Governance Institute reserves the right to change in the course, listed presenter(s) and duration, if necessary.