

Checklist for Identifying Terrorist Financing Risks

This checklist aims at helping charities identify potential vulnerabilities to terrorist financing risks by paying attention to specific areas. **The checklist is not meant to be an exhaustive guide.**

- Do you maintain a list of the individuals and entities associated with terrorism, which are specified under the United Nations (Anti-Terrorism Measures) Ordinance (Cap. 575) and published in the Gazette? Are you aware of the provisions of this Ordinance on the offences of financing and supporting terrorism and the legal consequences of committing the offences?
- Do you have a good understanding of the background, identity and affiliations of your board members, employees and volunteers?
- Do you publish annual reports covering the activities conducted/planned and the financial position?
- Do you have in place clear internal policies for financial controls, such as appropriate delegations and separations of authority for approval of funding?
- Do you transfer money via normal banking mechanisms wherever possible? When this is not practicable, do you make the transfer via money service operators licensed by the Customs and Excise Department?
- If cash is used in the transfer of funds, are you aware of the declaration and disclosure requirements for moving cash or similar instruments as set out in the Cross-boundary Movement of Physical Currency and Bearer Negotiable Instruments Ordinance (Cap. 629) in Hong Kong and similar legislation in the destination?
- Do you maintain records of domestic and international transactions for funds received and spent?
- Do you know who may use your organisation's name as a supporter or partner?
- Do you know where your donations and other support come from?
- Do you know who has ultimate control over the project/programme on which your organisation's money and resources are expended? How the money and resources are used, including after the project/programme has completed?

- Do you know your domestic and overseas partners, and their affiliations with other organisations?
- Do you enter into clear written agreements with your domestic and overseas partners for projects/programmes concerned? Do you have procedures or mechanisms in place for monitoring project/programme implementation and accounting for your organisation's money and resources expended? Do you check that the agreements are complied with?
- Do you check and audit the progress reports and financial statements provided by your domestic and overseas partners for the projects/programmes concerned?

Any person who suspects that the property he or she is handling is linked to terrorist financing or terrorism must report to the Joint Financial Intelligence Unit by email to jfiu@police.gov.hk, or by mail addressed to the Joint Financial Intelligence Unit at GPO Box 6555 Hong Kong, or by fax to (852) 2529 4013.