



Suspicious Transaction Reporting: Overview & Statistics

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Jade CHAN
Chief Inspector of Police
Headquarters

Financial Intelligence and Investigation Bureau



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Agenda

1. About FIIB
2. Role in AML/CFT
3. STR Mechanism
4. STR Reporting
5. STR Statistics
6. STR Observation



About FIIB



1. **Financial Investigation Division**
2. **Joint Financial Intelligence Unit**
3. **Headquarters**

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Role in AML/CFT



THE
LAW SOCIETY
OF HONG KONG
香港律師會

Functions provided by lawyers



- Buying /selling property
- Complex legal arrangements
- Financial transactions
- Financial and tax advice



Role in AML/CFT

“Practice Direction P”

1. Client identification and verification
2. Customer Due Diligence (CDD)
3. Record Keeping



Role in AML/CFT

**Activities identified
by FATF to be at risk
for ML / TF**



- 1. Conveyancing (real estate transactions)**
- 2. Trustee services**
- 3. Formation and administration of companies and entities**
- 4. Buying and selling of businesses**



STR Mechanism

← Public-Private Partnership →

Reporting Entities

Financial Institutions & DNFBPs

CDD + KYC

Record Keeping

Internal Controls

STR Filing

Financial Intelligence Unit

IFIU

STR Regime

Intelligence Exchange

International Cooperation

Training & Outreach

Law Enforcement Agencies

e.g. Police, Customs, ICAC

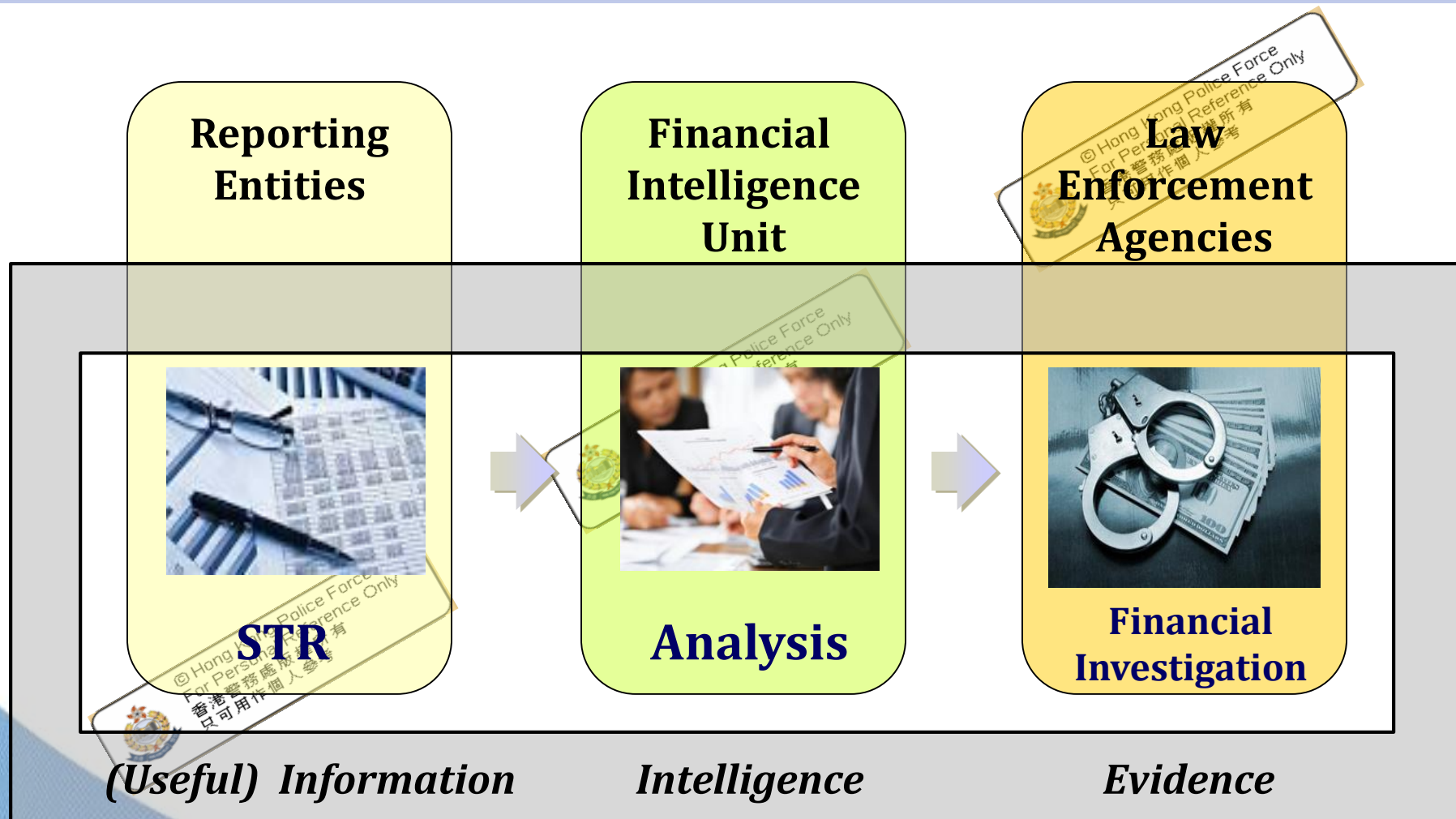
Financial Investigation

Asset Tracing

Restraint & Confiscation

Mutual Legal Assistance

STR Mechanism



STR Reporting

STR Form

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

REPORT MADE UNDER SECTION 25A OF THE
DRUG TRAFFICKING (RECOVERY OF PROCEEDS) ORDINANCE OR
ORGANIZED AND SERIOUS CRIMES ORDINANCE/
SECTION 12 OF THE UNITED NATIONS (ANTI-TERRORISM MEASURES) ORDINANCE
TO THE JOINT FINANCIAL INTELLIGENCE UNIT ("JFIU")

STR Summary	
STR Number:	<input type="text"/>
Submission Number:	<input type="text"/>
Date of Submission:	<input type="text"/>
Acknowledgement Issue Date:	<input type="text"/>
Consent Letter Issue Date:	<input type="text"/>
Consent:	<input checked="" type="checkbox"/> None <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Consent Remark:	<input type="text"/>

Special Cases with Time Critical Nature:

Report Related to Existing Investigation:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
---	---

Attachment:

+ Refresh

No.	File Name	File Size
1		KB
Total		KB

STR Reporting

JFIU
website



**Joint Financial Intelligence Unit**
The Government of the Hong Kong Special Administrative Region



A- A A+



GovHK 香港政府一站通 繁體版 簡體版 Text Version

SEARCH 

SITE MAP 

Welcome to The Joint Financial Intelligence Unit (JFIU) website. [Contact Us](#)

[Home](#)

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[Suspicious Transaction Report](#)

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Secure Area Login](#)

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Joint Financial Intelligence Unit



財富情報及調查科「守戶者聯盟」
打擊洗錢及恐怖分子資金籌集標語設計比賽2021
Financial Intelligence and Investigation Bureau Project "AccFencers"
Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT)
Slogan Design Competition 2021

Welcome to the web site of the Joint Financial Intelligence Unit (JFIU) web site. The web site is designed to provide members of the public in Hong Kong, especially the financial institutions (FIs) including banks, securities and insurance companies, money service operators, money lenders and stored values facility licensees, and the designated non-financial businesses and professions (DNFBP) including legal and accounting professionals, estate agents, trust or company service providers and precious metal and stone dealers, a greater understanding of the laws on money laundering and terrorist financing, and the need to make reports about suspicious transactions.

We hope that any questions which you may have can be answered in the following pages. However, if you need any further information, please feel free to contact JFIU staff. Details of how to contact us can be found in the section [Contact Us](#).



2019
聯合財富情報處年報
Joint Financial Intelligence Unit Annual Report

**Hong Kong Police Force**

**Customs & Excise Department**

STR Reporting

JFIU
website



The screenshot shows the JFIU website with the following elements:

- Header:** Joint Financial Intelligence Unit, The Government of the Hong Kong Special Administrative Region. Includes a search bar and site map.
- Left Menu:** Home, About JFIU, News, Legislation, **Suspicious Transaction Report** (highlighted in red), Statistics, Typologies, Publications, E-STR Submission/Secure Area Login, Feedback, Seminars, Links, FAQs, Contact us.
- Right Menu:** Home, About JFIU, News, Legislation, **Suspicious Transaction Report** (highlighted in red), Statistics.
- Content Area:** A pop-up window titled "Suspicious Transaction Report" with a list of links: How to identify a Suspicion?, When to submit an STR?, How to submit an STR?, What to Report in an STR?, and **Download** (highlighted in yellow).
- Footer:** Includes logos for the Hong Kong Police Force and Customs & Excise Department, and a paragraph about the importance of reporting suspicious transactions.

STR Reporting

How to submit an STR?

Suspicious Transaction Report And Management System (STREAMS)

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

- by e-reporting system, STREAMS
- by email to jfiu@police.gov.hk



- by fax to : (852) 2529 4013



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

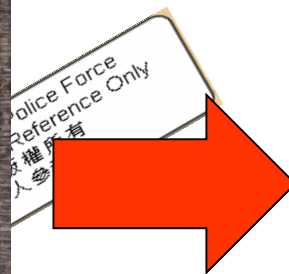
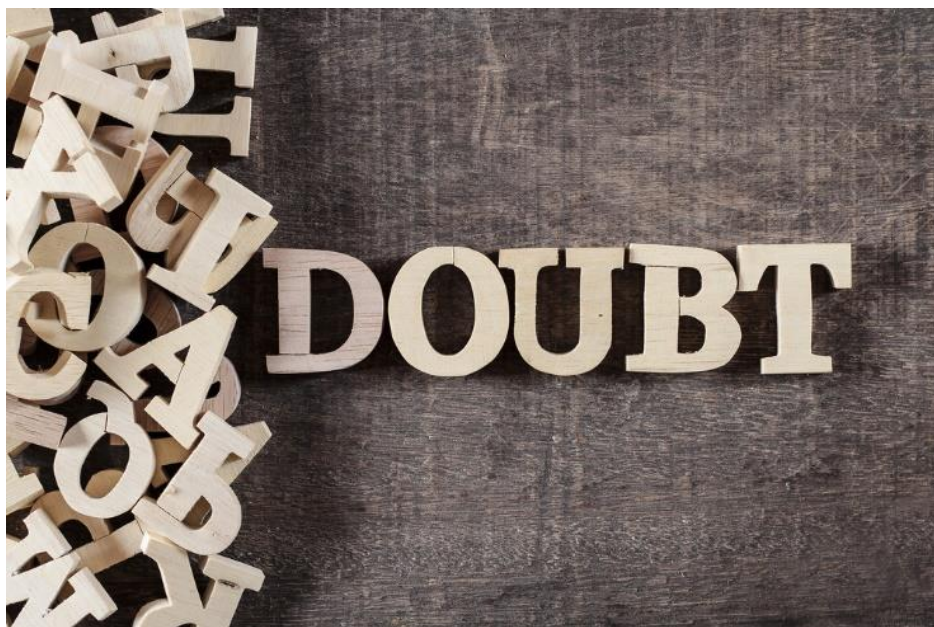


- by telephone (852) 2866 3366 (for urgent reports during office hours)



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

STR Reporting



**File a
STR**



Risk Indicators

Client

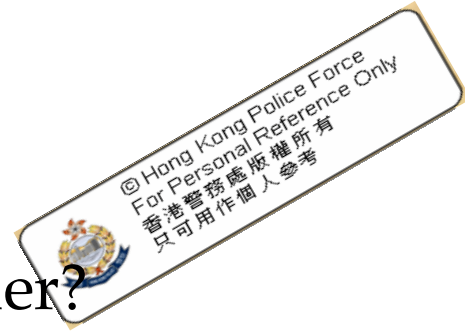
- **Individuals:** Age / Occupation / Reported Salary / History of business ? Non-resident / Corporate from high-risk country?
- **Corporate:** Incorporation date / Business nature / Expected turnover? Complex corporate structure (obscuring ultimate beneficial ownership)?



Risk Indicators

Transaction

- Payment from 3rd party / cashier order?
- Unusual high/ low payment for a property?
- Unexpected amount of transactions / Suspicious patterns?
- Transacted with unrelated parties / jurisdiction?



Risk Indicators

Previous Records/ Further Enquiries

- Background check / open source (*adverse news*)
- Failing to disclose specific role / relationship / ownership of property
- Unwilling to response to questions or answers are not convincing
- Unwilling to provide supporting document



Risk Indicators

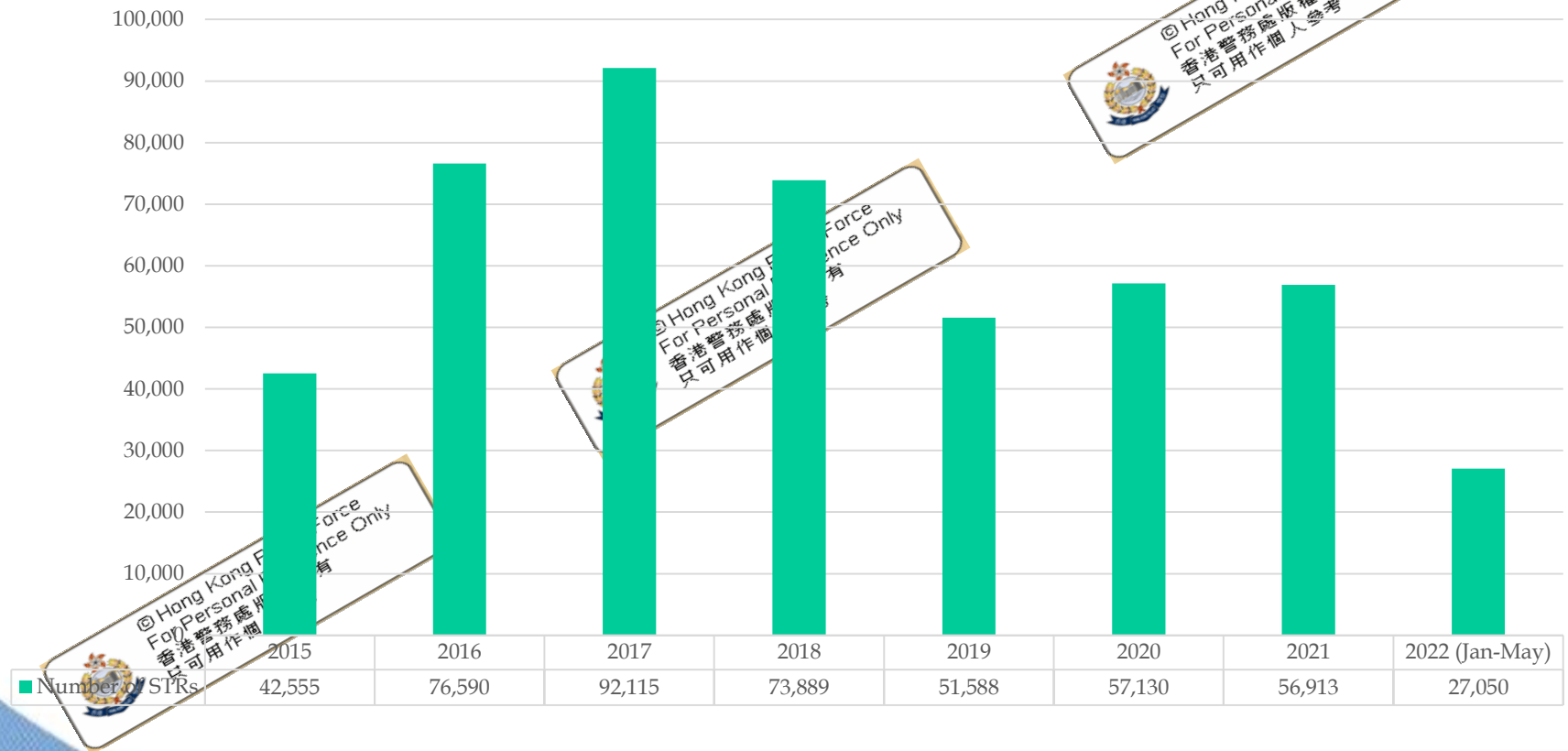
Evaluation

- 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 Statistics

Number of STRs received since 2015



STR Observation

Anti-Money Laundering and
Counter-Terrorist Financing Ordinance,
Cap.615 (AMLO)

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No. of STRs	2016	2017	2018	2019	2020	2021	2022 (Jan-May)
Annual Total	76,590	92,115	73,889	51,588	57,130	56,913	27,050
File by Legal sector	969	555	416	810	807	597	197
% of STR file by Legal Sector	1.27%	0.60%	0.56%	1.57%	1.41%	1.05%	0.73%

STR Observation

Breakdown of STRs filed by different sectors in 2021

Sector	No. of STRs received in 2021	Percentage (%)
Banks	45,893	80.64
Insurance Companies	1,207	2.12
Securities Firms	678	1.19
Virtual Asset Trading Platforms	16	0.03
Money Service Operators	2,351	4.13
Money Lenders	54	0.09
Stored Value Facilities Licensees	5,032	8.84
Estate Agencies	92	0.16
Dealers in Precious Metals & Stones	10	0.02
Legal Professionals	597	1.05
Accounting Professionals	9	0.02
Trust and Company Service Providers	162	0.28
Others	812	1.43
Total	56,913	100

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STR Observation

Common Scenarios filed by Legal Sectors

- Large amount of CHATS/Remit/Transfer/Cheque
- Large amount of cash deposits and withdrawals
- Report for client, who is a victim of crime
- Report client or client's counter-party who might involve in criminal or illicit activities
- Property purchase without mortgage



Summary

1. Role of legal sector

2. Importance of CDD / KYC

3. STR





Thank you

www.jfui.gov.hk