



Suspicious Transaction Reporting: Overview & Statistics

Karen NG

Chief Inspector of Police

Headquarters

Financial Intelligence and Investigation Bureau



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Agenda

STR

1. **About JFIU**
2. **Key Legislation**
3. **Reporting Requirement**
4. **STR Mechanism**
5. **STR Reporting**
6. **STR Statistics**
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8. **STR Case Examples**

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About JFIU

Bureaux / Departments



Financial Services and the Treasury Bureau



Security Bureau



Department of Justice



Companies Registry



稅務署
Inland Revenue Department

Inland Revenue Department

Regulators



Hong Kong Monetary Authority



SFC
證監會

Securities and Futures Commission



保險業監管局
Insurance Authority

Insurance Authority

Law Enforcement Agencies



Hong Kong Police Force



Customs and Excise Department



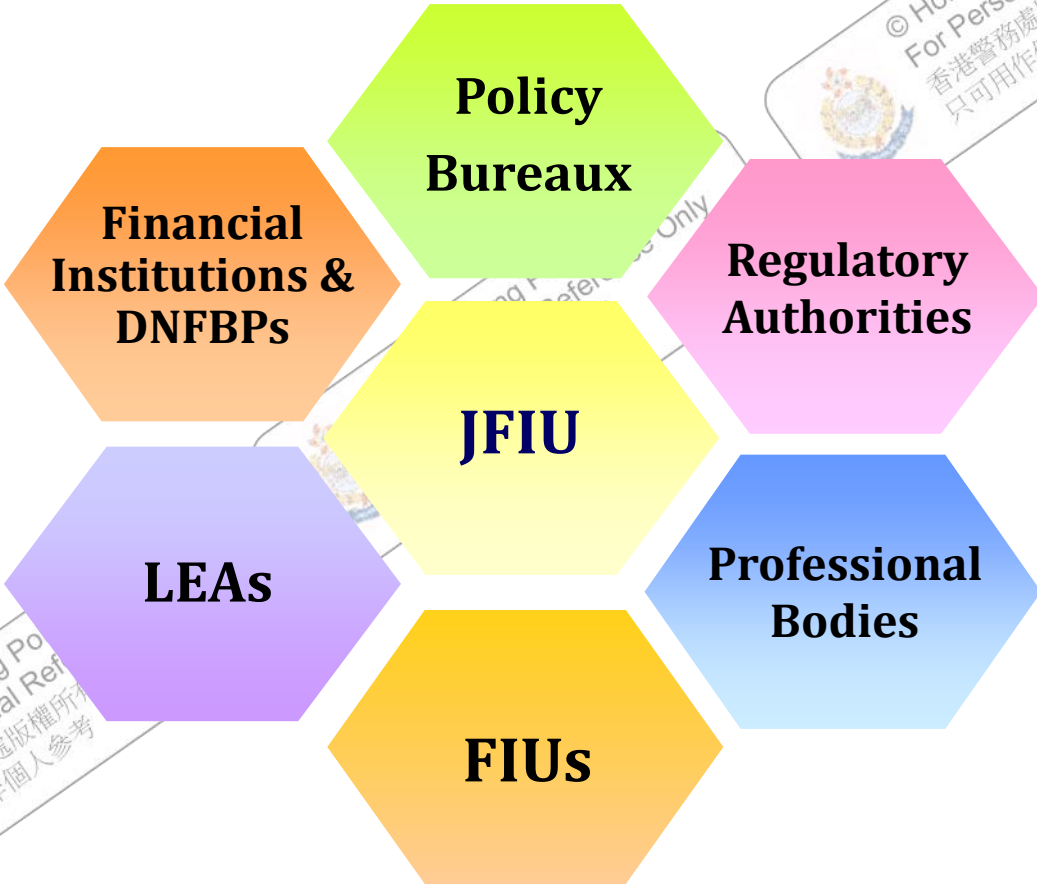
ICAC
Independent Commission Against Corruption

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About JFIU



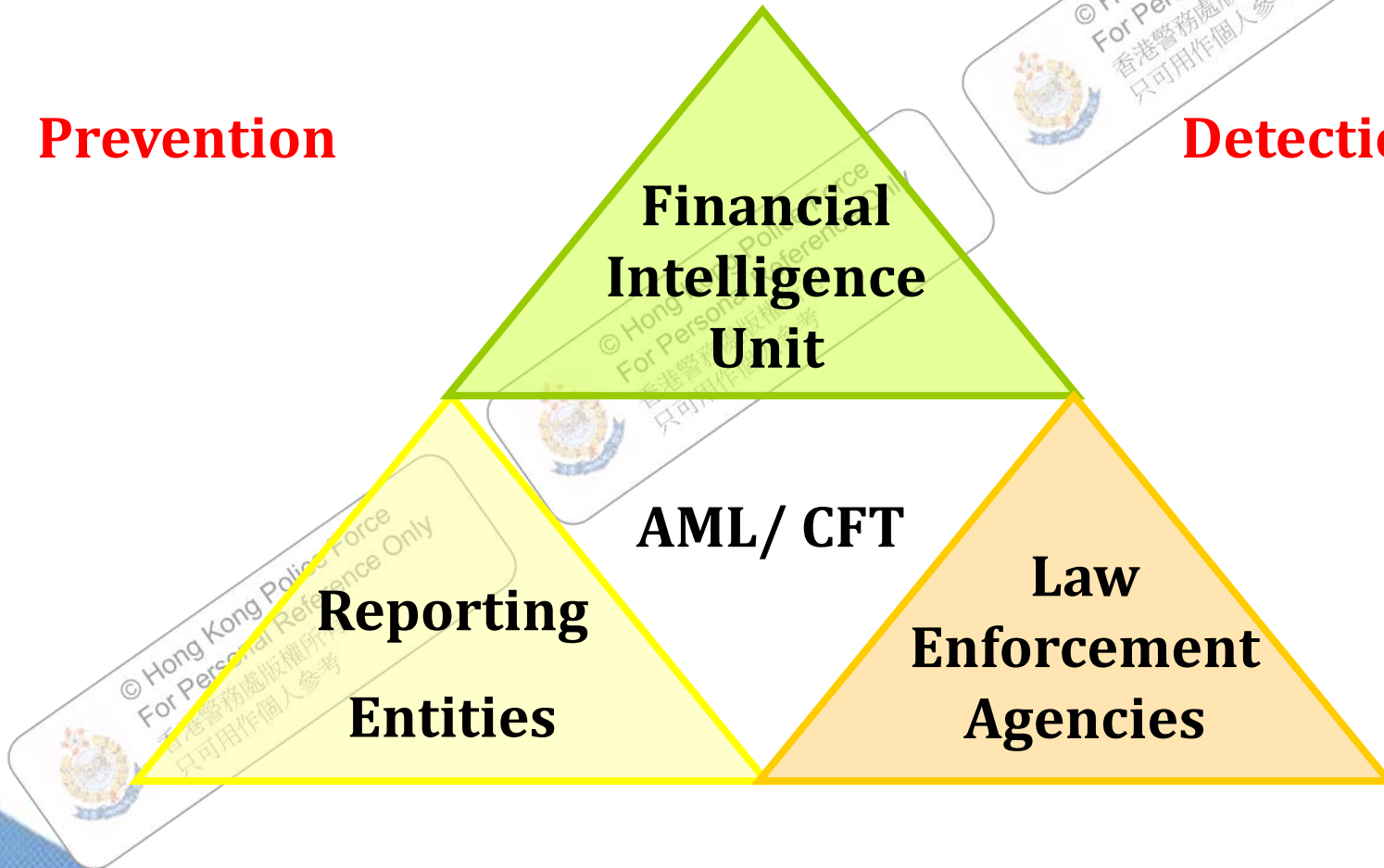
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STR Mechanism

Prevention

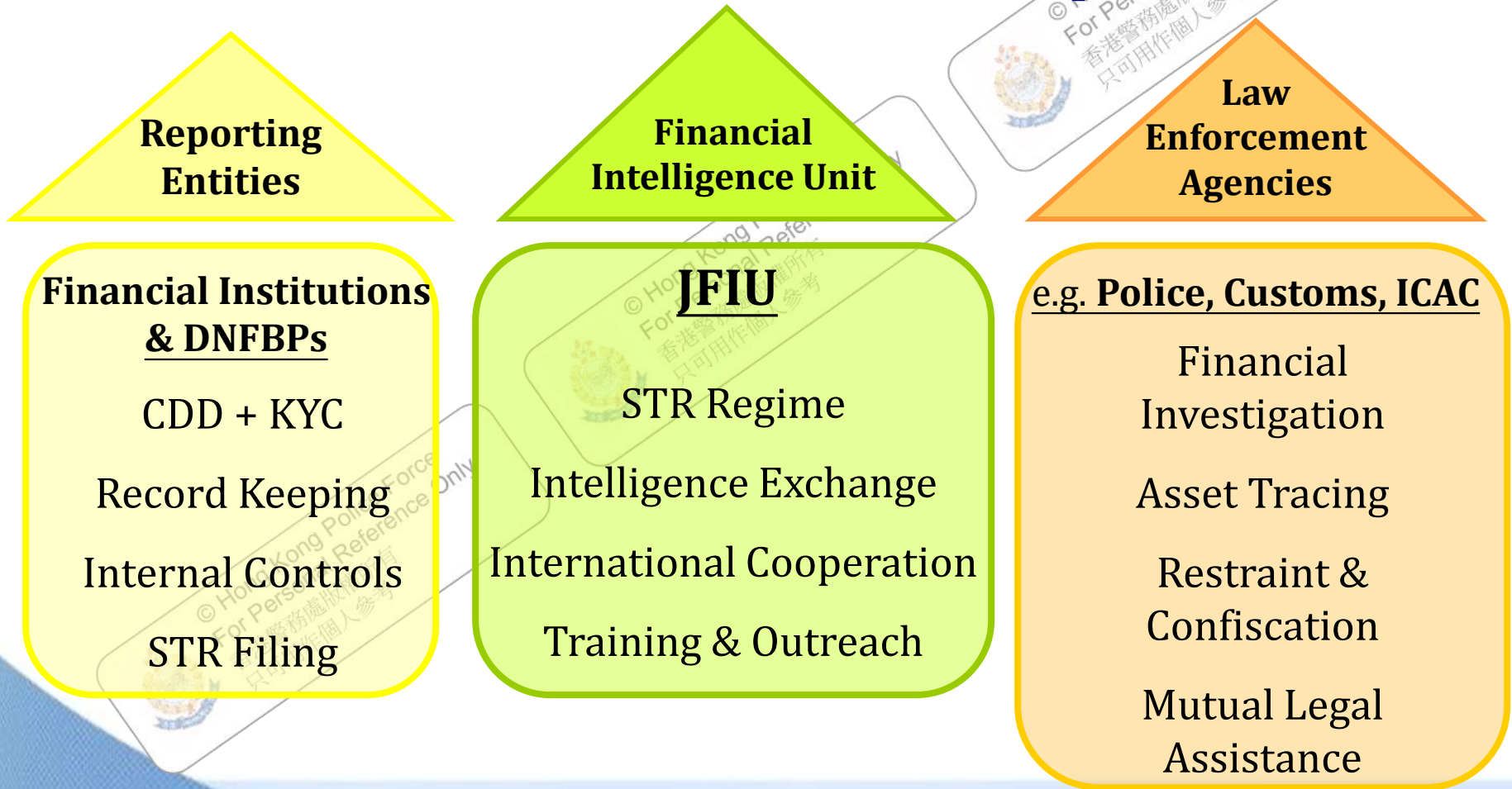
Detection



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STR Mechanism

← **Public-Private Partnership** →

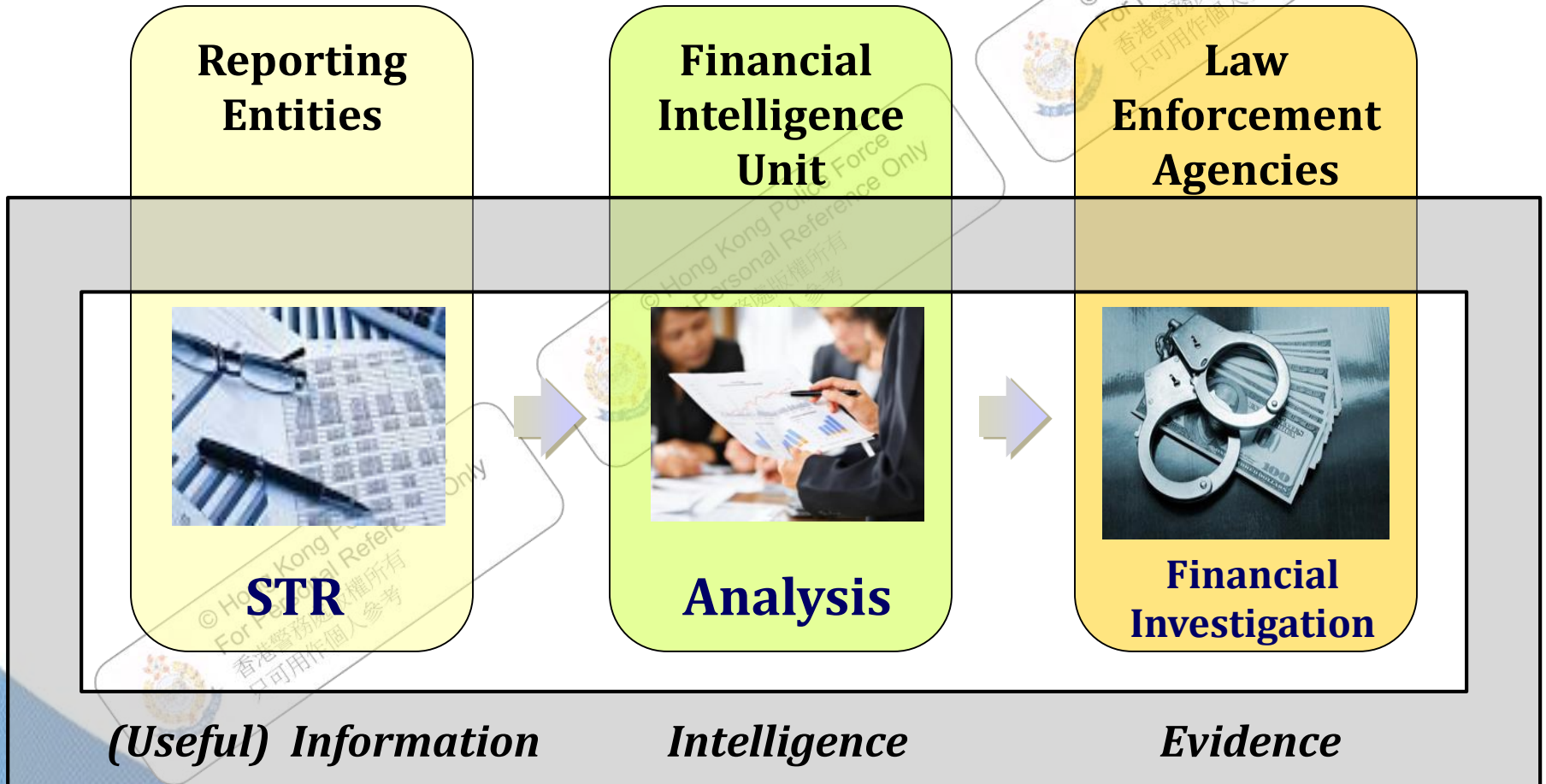


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STR Mechanism



STR Reporting

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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

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**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: Yes No

Attachment:

No.	File Name	File Size
1		KB
Total		KB

STR Reporting

Police Force
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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

Reporting Body

Organization ID:

--	--	--	--	--	--	--	--	--	--

Organization Name:

--

Reporting Officer ID:

--	--

Reporting Officer:

--

Organization Reference:

--

Phone:

--

Fax:

--

Email:

--

*Reason for Disclosure:

Drug Trafficking (ROP) Ordinance [Cap.405]:

Organized and Serious Crimes Ordinance [Cap. 455]:

United Nations (Anti-Terrorism Measures) Ordinance [Cap. 575]:

Other Information:

This Disclosure Related to a Previous Disclosure:

 Yes No

STR Reporting

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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**

Subject

Sequence No: 1 + -

English Name:	Family Name: _____	Given Name: _____	Middle Name: _____
Chinese Name:	CCC: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		HKID: <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> (<input type="text"/>)
Other ID + -	Type: _____ ▾		if Others: _____
	ID No.: _____		Country: _____ ▾
DOB: _____	Gender: <input type="checkbox"/> M <input type="checkbox"/> F <input checked="" type="checkbox"/> U		Occupation: _____
Nature:	_____ ▾		
Phone:	_____		
Email: + -	_____		
Address:	_____		
Additional Information:	_____		

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Organization

Sequence No: 1



English Name:			
Chinese Name:		Date of Incorporation:	
Local Company: <input type="checkbox"/>	BR No.: _____	CR No.: _____	Public Listed Company No.: _____
Oversea Company: <input type="checkbox"/>	Country: _____		Reg. No.: _____
Non-Government Organization:	<input type="checkbox"/> Yes <input type="checkbox"/> No	Charitable Organization:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Nature:	<input type="text"/>	Business Nature:	<input type="text"/>
Phone:	<input type="text"/>		
Email:	<input type="text"/>		
Address:	<input type="text"/>		
Related Person:	<input type="text"/>	Role: <input type="text"/>	if Others: <input type="text"/>
Related Company:	<input type="text"/>	Role: <input type="text"/>	if Others: <input type="text"/>
Additional Information:	<input type="text"/>		

STR Reporting



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

Phone Entity

Save +

No.	Linked?	Country Code	Area Code	* Subscriber Number	Extension
1	<input type="checkbox"/>				



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

Address Entity

Save +

No.	Linked?	Address Detail
1	<input type="checkbox"/>	

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- Save
- Print

Account

Sequence No: 1 + -

Account Institution:			
Account Number:	Account Type: <input type="text"/>	if Others: <input type="text"/>	
Opening Date:	Closing Date:		<input type="text"/>
Balance:	Currency: HKD <input type="text"/>	Amount: <input type="text"/>	Date: <input type="text"/>
Related Person:	Role: <input type="text"/>		if Others: <input type="text"/>
Related Company:	Role: <input type="text"/>		if Others: <input type="text"/>
Additional Information:	<input type="text"/>		

STR Reporting

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Summary of Suspicious Transaction in the Reviewed Period



No.	From (Date)	To (Date)	Subject	Type	Currency	Amount
1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	HKD	<input type="text"/>
	Transaction Branch:		<input type="text"/>			
	Transaction Counterpart:		<input type="text"/>	A/C: <input type="text"/>	Others: <input type="text"/>	
Remark:	<input style="width: 100%; height: 100%;" type="text"/>					

* Total Amount of Suspicious Transactions Reported (in HKD)

* Total Period covering the Suspicious Transactions (in days)

* Daily Average of the Suspicious Transactions Reported

STR Reporting

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

Suspected Crimes (Please put a "√" in the selected box(es).)

Designated Categories of Offences by FATF

Clear Checkbox

- | | |
|--|---|
| <input type="checkbox"/> Participation in an Organized Criminal Group and Racketeering | <input type="checkbox"/> Counterfeiting Currency |
| <input type="checkbox"/> Terrorism including Terrorist Financing | <input type="checkbox"/> Counterfeiting and Piracy of Products |
| <input type="checkbox"/> Trafficking in Human Beings and Migrant Smuggling | <input type="checkbox"/> Environmental Crime |
| <input type="checkbox"/> Sexual Exploitation including Sexual Exploitation of Children | <input type="checkbox"/> Murder, Grievous Bodily Injury |
| <input type="checkbox"/> Illicit Trafficking in Narcotic Drugs and Psychotropic Substances | <input type="checkbox"/> Kidnapping, Illegal Restraint and Hostage-Taking |
| <input type="checkbox"/> Illicit Arms Trafficking | <input type="checkbox"/> Robbery or Theft |
| <input type="checkbox"/> Illicit Trafficking in Stolen and Other Goods | <input type="checkbox"/> Smuggling (including in relation to customs and excise duties and taxes) |
| <input type="checkbox"/> Corruption and Bribery | <input type="checkbox"/> Tax Crimes (related to direct taxes and indirect taxes) |
| <input type="checkbox"/> Fraud | <input type="checkbox"/> Extortion |
| <input type="checkbox"/> Email Scam | <input type="checkbox"/> Forgery |
| <input type="checkbox"/> Investment Scam | <input type="checkbox"/> Piracy |
| <input type="checkbox"/> Romance Scam | <input type="checkbox"/> Insider Trading and Market Manipulation |
| <input type="checkbox"/> Telephone Deception | |
| <input type="checkbox"/> Others (Please specify) | |

- | | |
|---|---|
| <input type="checkbox"/> Money Laundering | <input type="checkbox"/> No Crime Related |
| <input type="checkbox"/> Self Laundering | <input type="checkbox"/> Other (Please specify in 'Additional Information') |
| <input type="checkbox"/> Third-Party Laundering | |

Additional Information:

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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**

Suspicious Indicators (Please put a "✓" in the selected box(es).)

Fund Movement Pattern

- Indirect Transaction/ Transaction Intended to Break Audit Trail
- Uneconomical Transaction/ Transaction with No Business Purpose
- Temporary Repository of Fund
- Numerous Transaction Counterparties without Apparent Reasonable Cause
- Transaction Involving High-Risk Jurisdiction/Region
- Large Cash Transaction
- N/A

Accounts

- Shell Company
- Account Operated/Controlled by Third-Party other than Signatory/Account Holder
- Non-Resident Personal Account
- Offshore Company
- N/A

Customer Background/Behavior

Clear Checkbox

- Transactions/ Amount Incommensurate with the Background of the Person / Business
- Suspected Money Courier/Unlicensed Money Service Operator
- Politically Exposed Persons (PEP)
- Customer Insisted to Use Less Secured Transactions
- Customer Evasive/Reluctant to Provide Information
- Suspected Counterfeit Document Presented by the Customers
- N/A

Others

Clear Checkbox

- Casino related Suspicious Transaction
- Charitable Organization/NPO related Suspicious Transaction
- Others (Please Specify)
- N/A

Narrative comment about the questioned transactions:



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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**

Open Source Information

Website:



Additional Information:



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Entity Lists

Subject List

No.	Linked	English Name	Chinese Name	HKID	Other ID No.	Country	Occupation	
1	<input type="checkbox"/>							+ - ...

Organization List

No.	Linked	Company Name	Registration Type	Person Name	Person Role	Company Name	Company Role	
1	<input type="checkbox"/>							+ - ...

Phone List

No.	Country Code	Area Code	* Subscriber Number	Extension	
1					+ - ...

Account List

No.	Account Number	Account Type	Person Name	Person Role	Company Name	Company Role	
1							+ - ...

Address List

No.	Address Detail	
1		+ - ...



STR Reporting

- Acknowledgement of receipt
- Consent/ No Consent/ N/A



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Risk Indicators

Client

- Politically Exposed Person?
- Non-resident / Corporate from high-risk country?
- No known nexus with Hong Kong?
- Complex corporate structure (obscuring ultimate beneficial ownership)?

Transaction

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

Previous Records/ Further Enquiries

- Background check / open source (*adverse news*)
- Failing to disclose specific role / relationship / ownership of property
- Unwilling to respond 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?

Risk Indicators

TF Risk

- Targeted Financial Sanctions
- High-Risk Jurisdictions/
Regions and Cross border factors
- Non-profit Organizations



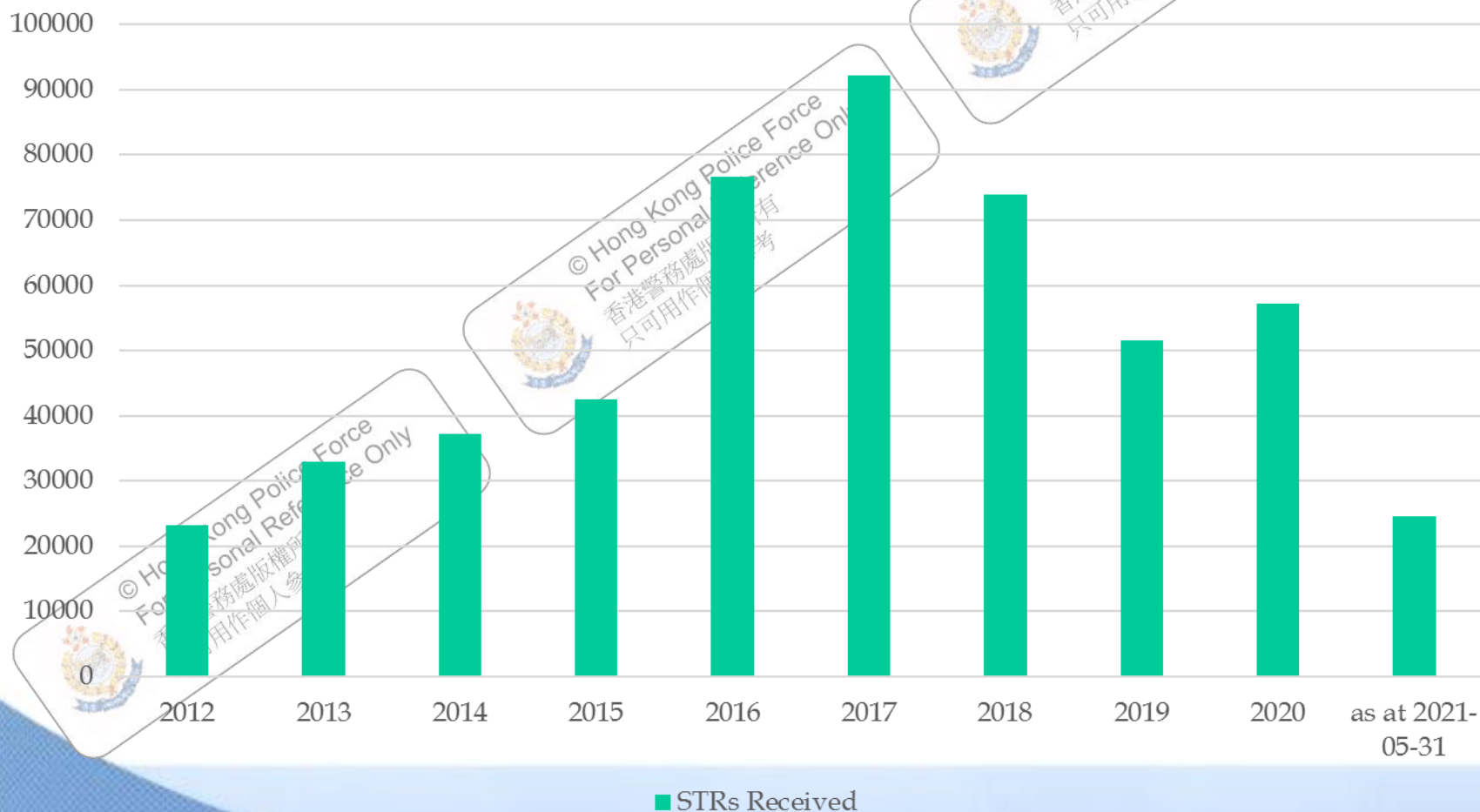
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STR Statistics

Number of STRs received in the past 10 years



STR Observation

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

No. of STRs	2016	2017	2018	2019	2020	2021 (Jan-May)
Annual Total	76,590	92,115	73,889	51,588	57,130	24,539
File by Legal sector	969	555	416	810	807	260
% of STR file by Legal Sector	1.27%	0.60%	0.56%	1.57%	1.41%	1.06%

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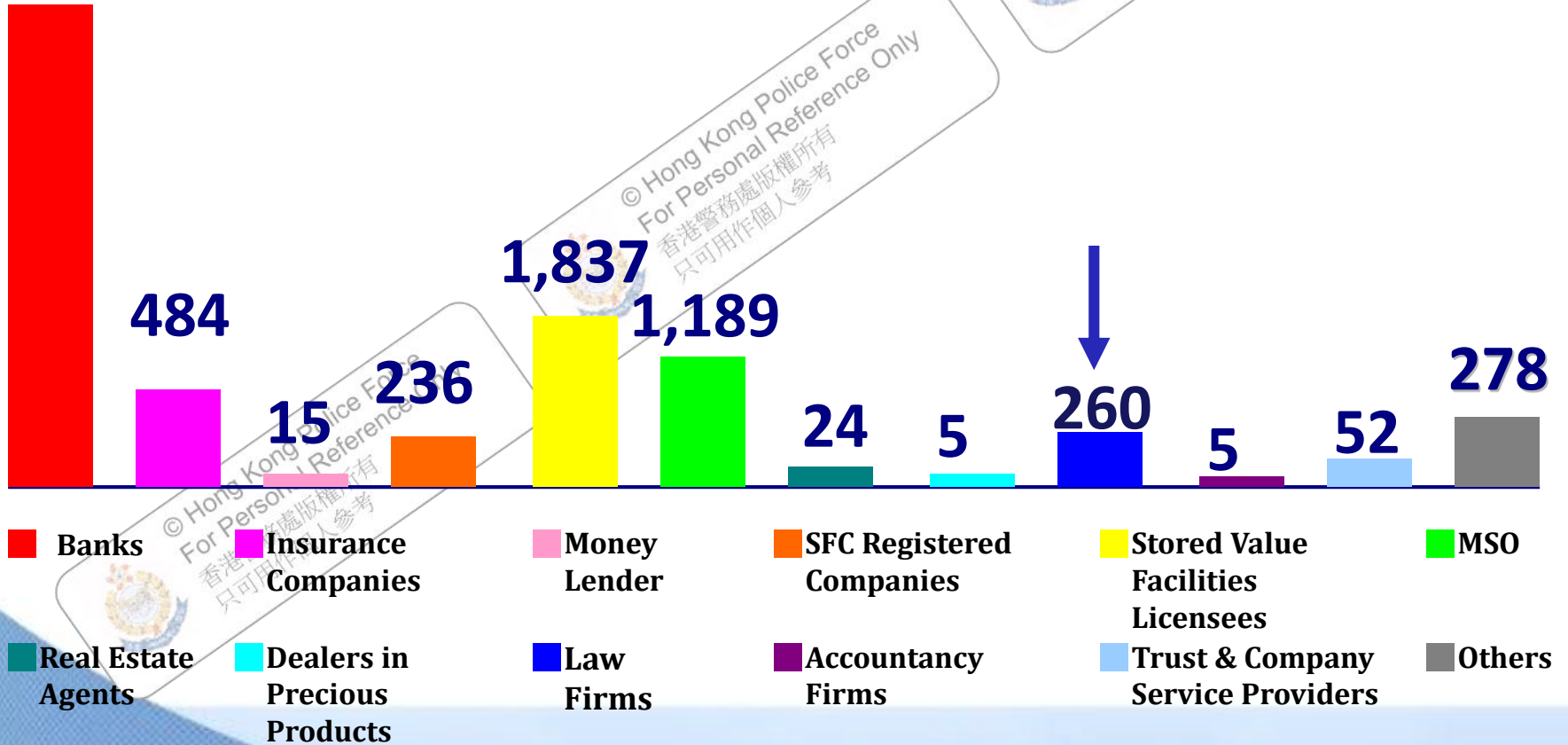
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STR Statistics

Sectoral Breakdown of STRs received by JFIU in 2021 (Jan-May)

20,145



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STR Observation

- **Nature of STR:** (from STRs filed by Legal Sector from 2019)
 - Property purchase without mortgage
 - Third party payment
 - Legal fee
 - Reporting on behalf of client(s)
 - Criminal case(s)



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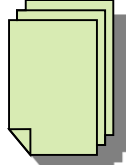
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Case Example (1)

Services for witnessing the signatures of the parties in respect of purchase contracts



Mr. A



Mr. B

CDD/KYC

- Both parties at their 30s w/o known business
- Isolated purchase w/o business background

Payment Method

- Purchase to be settled in cash

Joint Financial Intelligence Unit



Funds originated from Deception case(s)



Analysis and referral



Detection of the deception and money laundering scheme

Case Example (2)

**Joint Financial
Intelligence Unit**



Mr. A

\$\$\$



?



Law Firm



Analysis

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Case Example (3)



D2 purported to be the property owner to sell the property using forged ID



D2



Law Firm

HKD2.92M down payment



Buyer



D1

The down payment was deposited to D1's bank account, whose name was changed to the rightful property owner



Thank you

www.jfiu.gov.hk