

**Review of the Suspicious Transaction
Reporting Requirements under
the Three Related Pieces of Legislation**

Purpose

Members asked to know our timetable for the review of the suspicious transactions reporting requirements under section 12 of the United Nations (Anti-terrorism Measures) Ordinance (Cap. 575), section 25A of both the Drug Trafficking (Recovery of Proceeds) Ordinance (Cap. 405) and Organised and Serious Crimes Ordinance (Cap. 455).

Details

2. In the course of deliberations of the Bills Committee on the United Nations (Anti-terrorism Measures) Bill, we undertook to review the above suspicious transactions reporting requirements in the context of the legislative exercise to give effect to the Financial Action Task Force on Money Laundering's Forty Recommendations. We noted at that time that the exercise would involve consultation with the various sectors (accountants, lawyers, real estate agents, company and trust service providers, and precious metals and stones dealers) to be brought into the fold of the Recommendations. These sectors would be directly affected by the reporting requirements being reviewed. Our review would review both the scope of the obligation to report as well as the mental threshold to be adopted for making disclosures, having regard to similar legislation in the UK mentioned at the Bills Committee, and other common law jurisdictions.

3. As reported in our progress reports to Members, we have been conducting an internal review and in parallel consulting the specific sectors, the outcomes of which will form the basis of any legislative proposals that we may put to the Legislative Council. At this point we are unable to indicate a firm timing for the conclusion of the exercise, because we are still in different stages of discussion with the above various sectors. We need to ensure that we provide sufficient details of the Recommendations to the sectors, allow time for them to consider the Recommendations, and discuss with us their considered views on the Recommendations. While we hope to complete such sectoral consultations as early as possible, at this point we are unable to give a definite timing.

4. We shall continue to keep Members informed through our progress reports.

Security Bureau

25 January 2006