

**Bills Committee on Anti-Money Laundering and
Counter-Terrorist Financing (Financial Institutions) Bill**

**Information/response to be provided by the Administration in response to
Members' requests made at the meeting on 7 January 2011**

1. A comparison, with explanation on the differences, between the current guidelines issued by the Hong Kong Monetary Authority and the relevant provisions under the Bill in respect of the definition of politically exposed persons ("PEPs") and the special customer due diligence ("CDD") requirements applicable to PEPs. (c.f. clauses 1 and 10 of Schedule 2 to the Bill)
2. There are two tiers of criminal offences under clause 5(5) to (8), which are "knowingly" and "with intent to defraud". The Administration was requested to explain, with reference to real-life examples, the circumstances intended to be covered in the provisions for criminal offence with the element of "with intent to defraud". (c.f. clause 5(5) to (8) of the Bill)
3. Examples of other legislation which contains provisions that subject employees of an institution to criminal liability for non-compliance of that institution with the relevant legislation. (c.f. clause 5(7) to (8) of the Bill)
4. The purpose of clause 5(9) and the need or otherwise to retain/refine that provision in the Bill with regard to the liability of partnerships to pay criminal fines.
5. The intended scope and contents of the guidelines to be issued by the relevant authorities under clause 7 of the Bill, in light of the detailed provisions on CDD and record-keeping requirements in the Bill.
6. The policy of the relevant authorities with respect to the possible authorization of persons who are not their members as "authorized persons" under clause 9(12), especially where such an authorization is made, whether the inspection team is to be led by a member of the authority concerned.
7. The rationale for the scope of clause 9(3)(b) to cover, inter alia, persons not connected with the financial institution. The Administration was requested to consider narrowing down the scope of the persons covered in that provision as appropriate.