

**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 13 January 2011**

1. In relation to the provision on the protection of legal professional privilege under clause 80 of the Bill, to-
 - (a) advise whether provisions similar to clause 80(2) can be found in other local legislation related to anti-money laundering; and
 - (b) explain by reference to examples of the possible circumstances under which a legal practitioner would be required under the Bill to disclose the name and address of his/her client, and review the need for the exception under clause 80(2) and the drafting of this provision.

2. With reference to clause 9(1), to-
 - (a) provide information on the relevant international requirements regarding routine inspections at the business premises of financial institutions;
 - (b) provide an account of the types of records and documents which the regulators would need access to in a routine inspection as distinguished from those required under an investigation;
 - (c) explain how the regulators would handle the copies of the records and documents made under sub-clause (b); and
 - (d) consider the feasibility of limiting the types of records and documents that can be obtained under sub-clause (b) without prejudicing the effectiveness of the enforcement of the relevant authorities.

3. To explain the rationale for the arrangement specified under clause 9(8).
4. To explain the rationale for the requirement to make statutory declaration under clause 9(9) and (10).
5. To clarify whether paragraph (a)(iii) of the definition of "business premises" under clause 9(15) covers premises outside Hong Kong; and if so, how would the requirements be enforced?
6. To consider whether the maximum level of fine for the offences under clause 5(6) and (8) should be increased, given that the offences involve a mental element of "with intent to defraud".
7. To consider whether the criminal provisions under clause 10(3), (5) to (8) should allow for a defence of "reasonable excuse" in the same way as provided for in clause 10(1).
8. To review the current drafting of clause 11(1)(a) and (b) as to whether it is appropriate and necessary to stipulate in the law that a relevant authority must have "reasonable cause to believe" or "has reason to inquire" before the relevant authority can conduct an investigation.