

**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 9 December 2010**

1. Response on Hon Audrey EU's suggestion that the special requirements under section 10 of Schedule 2 to the Bill should apply to politically exposed persons (PEPs) outside the Hong Kong Special Administrative Region, instead of PEPs outside the People's Republic of China as currently proposed, so as to include PEPs in the Mainland, Taiwan and Macau.
2. A copy of the current Guidelines on Prevention of Money Laundering issued by the Hong Kong Monetary Authority.
3. Details of the existing and future anti-money laundering and counter-terrorist financing arrangements in respect of PEPs falling outside the definition of the term in the Bill as provided in guidelines (or elsewhere), and comparison between section 10 and section 15 of Schedule 2 to the Bill in terms of customer due diligence and record-keeping requirements, regulatory arrangements, consequences for breaches of such requirements and sanctions etc.
4. Details about the remittance service currently operated by the Post Office, and copy of the relevant clauses in the mutual evaluation report of the Financial Action Task Force on Hong Kong regarding the remittance services operated by Post Office.
5. Response on Hon Dr Margaret NG's suggestion of revising clause 3 with reference to the Legal Practitioners Ordinance (Cap. 159) and other ordinances with express provisions on application of the legislation to the Government, so that -
  - (a) to avoid giving rise to unintended effects, the provision should simply state that the Ordinance applies to the Government without specifying the particular service and government unit to which the Ordinance shall apply;

- (b) rather than exempting the Postmaster General from the licensing requirements in providing remittance service, the Postmaster General (or the Government) should be deemed to have obtained a licence from the Commissioner of Customs and Excise; and
  - (c) rather than specifying the exception provisions in clause 3, it should be stated in the respective provisions that the Postmaster General (or the Government) is exempted from the relevant requirements/sanctions.
6. Explanation on how the Bill would improve the business relationship between money service operators (MSOs) and financial institutions (FIs), and how the Bill would facilitate MSOs in accessing the services of FIs.
  7. The definition of "long term business" under the Insurance Companies Ordinance (Cap. 41) and copy of the relevant schedule providing for the classes of insurance business covered by the term, and explanation on why other types of insurance business are excluded from the Bill.

Council Business Division 1  
Legislative Council Secretariat  
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