# 立法會
## *Legislative Council*

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**Panel on Security**

**Updated background brief prepared by the Legislative Council Secretariat for the meeting on 1 June 2021**

**Measures adopted by the Police to prevent and combat deception activities**

## Purpose

This paper summarizes past discussions of the Panel on Security ("the Panel") on issues relating to measures adopted by the Police to prevent and combat deception activities.

## Background

2. According to information provided by the Police on the crime situation in Hong Kong, 15 553 cases of deception were recorded in 2020, representing a rise of 89.3% as compared with 2019. Among these, there were 6 678 e-shopping fraud, 905 online romance scams cases and 1 193 telephone deception cases.

## Deliberations of the Panel

Online deception

3. With the COVID-19 outbreak in 2020 and more people staying at home, members expressed concern about the two-fold rise in online deception cases as compared with 2019 and asked about the Police's measures in combating them. Members were also concerned about the Police's capability and manpower, in particular cyber security professionals, as well as the cross-border collaboration in handling online deception.

4.	According to the Administration, the rise in online deception cases was mainly driven by the upsurge of cases in e-shopping fraud and social media deception, including compensated dating and romance scams.   As more people staying at home and frequently staying online, the Police would step up relevant online publicity and education initiatives, so as to promote the public awareness of fraud and cyber pitfalls.   Notably, the Police had launched the cyber security campaign and set up the Anti-Deception Coordination Centre ("ADCC").   ADCC managed to stop victims of hundreds of scams from sending funds to fraudsters, as well as cooperated with banks and relevant industries to intercept payments made by victims in the past years.   Besides, the Cyber Security and Technology Crime Bureau ("CSTCB") of the Police had been combating cases relating to cybercrime.   A systematic training scheme was provided to relevant officers in which they had to undergo local and overseas training.   CSTCB also set up various dedicated teams to analyze and investigate various types of online deception cases.   The Police had also maintained close cooperation with the Mainland and overseas law enforcement agencies ("LEAs") for anti-crime joint operations, which included combating online deception and romance scams.

Telephone deception

5.	Members were advised that there were three main modi operandi of telephone deception, viz. calls made by fraudsters claiming that the victims' children or family members were being detained in an attempt to demand a ransom, calls made by fraudsters who impersonated the victims' relatives or friends to cheat them out of money with various excuses, and calls made by fraudsters who impersonated Hong Kong Government or Mainland officials claiming that the victims had violated Mainland laws and asking them to transfer money to a designated bank account on the Mainland (i.e. "pretend officials" cases").   Members were concerned about the specific measures put in place by the Police to tackle various types of telephone deception, in particular the resurgence of "pretend officials" cases.

6.	The Administration advised that the Police had all along been adopting a three-pronged strategy which included prevention of crime, carrying out intelligence-led operations, and conducting prompt investigations to combat deception activities including telephone deception.   According to the Administration, telephone deception in Hong Kong was mainly a cross-boundary criminal activity.   The Police had maintained close liaison with local, Mainland and overseas LEAs for exchanging intelligence and taking intelligence-led law enforcement actions.   Besides, ADCC had received over 20 000 enquiries through the "Anti-Scam Helpline" since its establishment, and

successfully avoided the occurrence of 360 deception cases.  In 2020, the Police had received 2 594 requests for interception, and over $3 billion payments were intercepted.  In addition, the Police and the Financial Crimes Unit of the International Criminal Police Organization established an International Stop-Payment Mechanism in October 2019, such that funds wired to overseas accounts might be intercepted, and victims' losses could thus be reduced.

Investment fraud

7.　　Members were concerned about the proliferation of stock investment fraud via instant messaging applications.  They considered that such kind of deception would pose a negative impact to Hong Kong's reputation as an international financial centre.  They enquired about the Police's manpower support in investigating relevant cases and the measures to further enhance public awareness, with a view to minimizing the occurrence of investment fraud.

8.　　Members were advised that investment fraud increased from about 300 cases in 2019 to 510 cases in 2020.  Depending on the case nature and the amount of monetary losses, different police units would take over the investigations, including officers in respective police districts, the Regional Crime Units, the Commercial Crime Bureau ("CCB") and the Financial Investigation Division under the Narcotics Bureau.  To further enhance the detection, prevention and disruption of serious financial crimes through effective sharing of information and intelligence, the Fraud and Money Laundering Intelligence Taskforce ("FMLIT") was set up by CCB, in collaboration with the Hong Kong Monetary Authority ("HKMA"), the Hong Kong Association of Banks and a number of banks.  So far, FMLIT had held over 20 meetings and conducted 76 intelligence-led operations.  A total of 299 persons were arrested, $690 million payment was restrained, and over $100 million payment made by victims was intercepted.  The Police would continue exchanging information with the financial and banking industry, as well as launching publicity education in this aspect.

9.　　In response to members' concern about issues relating to virtual currency, the Administration advised that while there was no specific legislation over virtual currency, the Police would investigate deception and robbery cases engaged with such product in accordance with existing laws and regulations.  Moreover, the Financial Services and the Treasury Bureau had launched a consultation exercise in November 2020 on legislative proposals to enhance anti-money laundering and counter-terrorist financing regulation in Hong Kong,

as well as the introduction of a licensing regime for virtual asset services providers.


**Relevant papers**

10.    A list of relevant papers on the Legislative Council website is in the **Appendix**.



Council Business Division 2
Legislative Council Secretariat
26 May 2021

**Relevant papers on
measures adopted by the Police to prevent and combat deception**

| Committee | Date of meeting | Paper |
|---|---|---|
| Panel on Security | 3.3.2009 (item VII) | Agenda Minutes |
| Panel on Security | 27.1.2015 (item I) | Agenda Minutes |
| Legislative Council | 28.10.2015 | Official Record of Proceedings (Question 10) |
| Panel on Security | 26.1.2016 (item I) | Agenda Minutes |
| Panel on Security | 11.11.2016 (item VI) | Agenda Minutes |
| Panel on Security | 24.1.2017 (item I) | Agenda Minutes |
| Panel on Security | 6.3.2018 (item IV) | Agenda Minutes |
| Panel on Security | 2.2.2021 (item III) | Agenda Minutes |

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