



A New Measure by the Law Society of Hong Kong to Fulfill International Obligations to Combat Money Laundering

Hong Kong, 23 June 2008 – To support the HKSAR Government in fulfilling its international obligations to combat money laundering and terrorist financing, the Law Society of Hong Kong will implement a new measure on July 1. Under the new measure, lawyers are required to obtain client identification and gather information such as purpose and source of funding for the transactions when conducting transactions.

Hong Kong has been a member of the Financial Action Task Force on Money Laundering since 1991. The Government is committed to fulfilling international obligations to combat money laundering and terrorist financing, which is essential for maintaining Hong Kong as an international finance centre.

Under the new measure, lawyers are required to obtain client identification and beneficial ownership information before undertaking any transactions including property transaction, the administration of estates and litigation.

Mr. Lester Huang, President of the Law Society of Hong Kong said, “Obtaining client identification and beneficial ownership information can help detect and prevent money laundering and terrorist financing. Clients may also be requested to provide additional information, such as purpose and source of funding for the transactions. Information required depends on the nature and complexity of the transactions.”

Client information provided to lawyers will be kept in strict confidence and in compliance with the Personal Data (Privacy) Ordinance. Failure to disclose any transaction suspected to be connected with money laundering or terrorist financing is an offence under Hong Kong laws. Mr. Huang added that only if lawyers detect suspicious transactions will they report to the law enforcement authorities as a statutory obligation.

The Law Society of Hong Kong would like to appeal to the public for their support to help the Government fulfill international obligations to combat money laundering and terrorist financing. “Only with the public’s support can the Law Society of Hong Kong help the Government perform the gatekeeping function of anti-money laundering and terrorist financing. By providing lawyers with the required information, our law-abiding general public are helping to make it harder for money launderers and terrorists to disguise their activities as legal transactions” said Mr. Huang.

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