



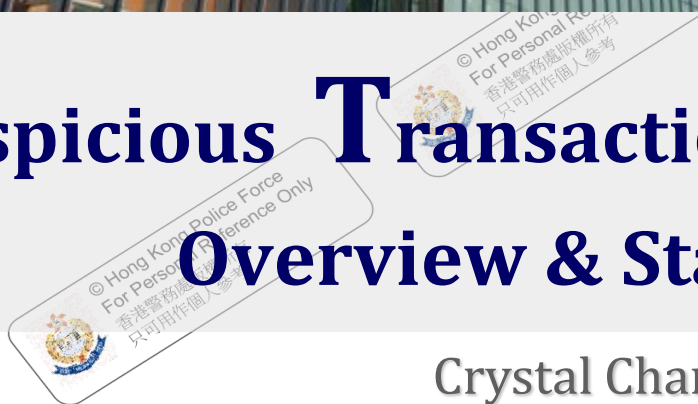
# Suspicious Transaction Reporting: Overview & Statistics

Crystal Chan

Chief Inspector of Police

Joint Financial Intelligence Unit

Financial Intelligence and Investigation Bureau



## Important Notice

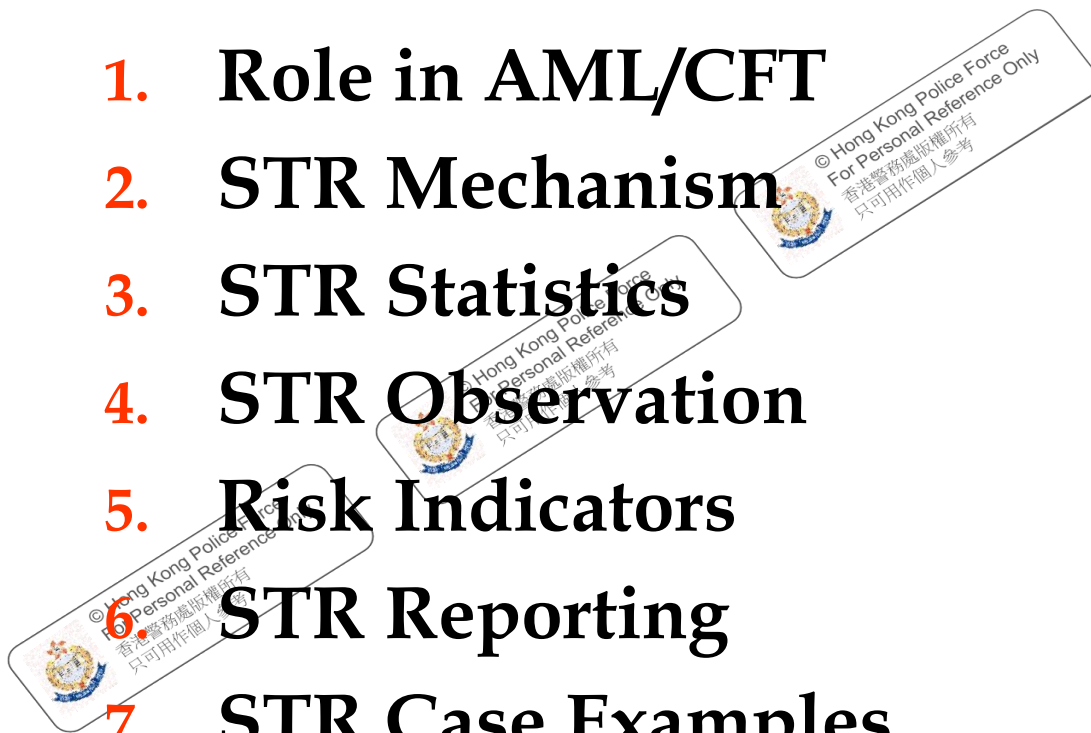
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## 重要告示

香港警務處持有並保留本簡報檔案包括版權在內的所有權益。除預先獲得警務處處長書面許可外，本簡報檔案只可用作個人學習及處理公務上用途。

# Agenda

1. Role in AML/CFT
2. STR Mechanism
3. STR Statistics
4. STR Observation
5. Risk Indicators
6. STR Reporting
7. STR Case Examples



# Role in AML/CFT



THE  
**LAW SOCIETY**  
OF HONG KONG  
香港律師會

## Functions provided by lawyers



- **Buying /selling property**
- **Complex legal arrangements**
- **Financial transactions**
- **Financial and tax advice**

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# Role in AML/CFT

## “Practice Direction P”

1. **Client identification and verification**
2. **Customer Due Diligence (CDD)**
3. **Record Keeping**



# Role in AML/CFT

## Activities identified by FATF to be at risk for ML / TF



1. **Conveyancing (real estate transactions)**
2. **Trustee services**
3. **Formation and administration of companies and entities**
4. **Buying and selling of businesses**

# STR Mechanism

← Public-Private Partnership →

**Reporting  
Entities**

**Financial Institutions  
& DNFBPs**

CDD + KYC

Record Keeping

Internal Controls

STR Filing

**Financial  
Intelligence Unit**

**JFIU**

STR Regime

Intelligence Exchange

International Cooperation

Training & Outreach

**Law  
Enforcement  
Agencies**

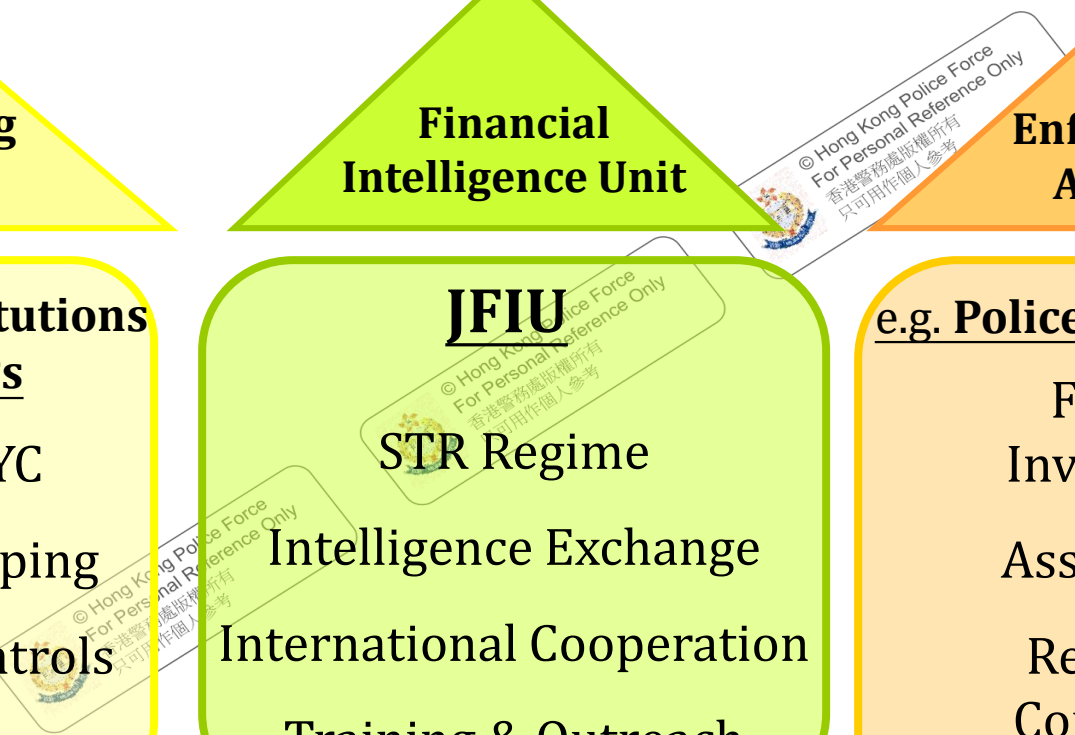
**e.g. Police, Customs, ICAC**

Financial  
Investigation

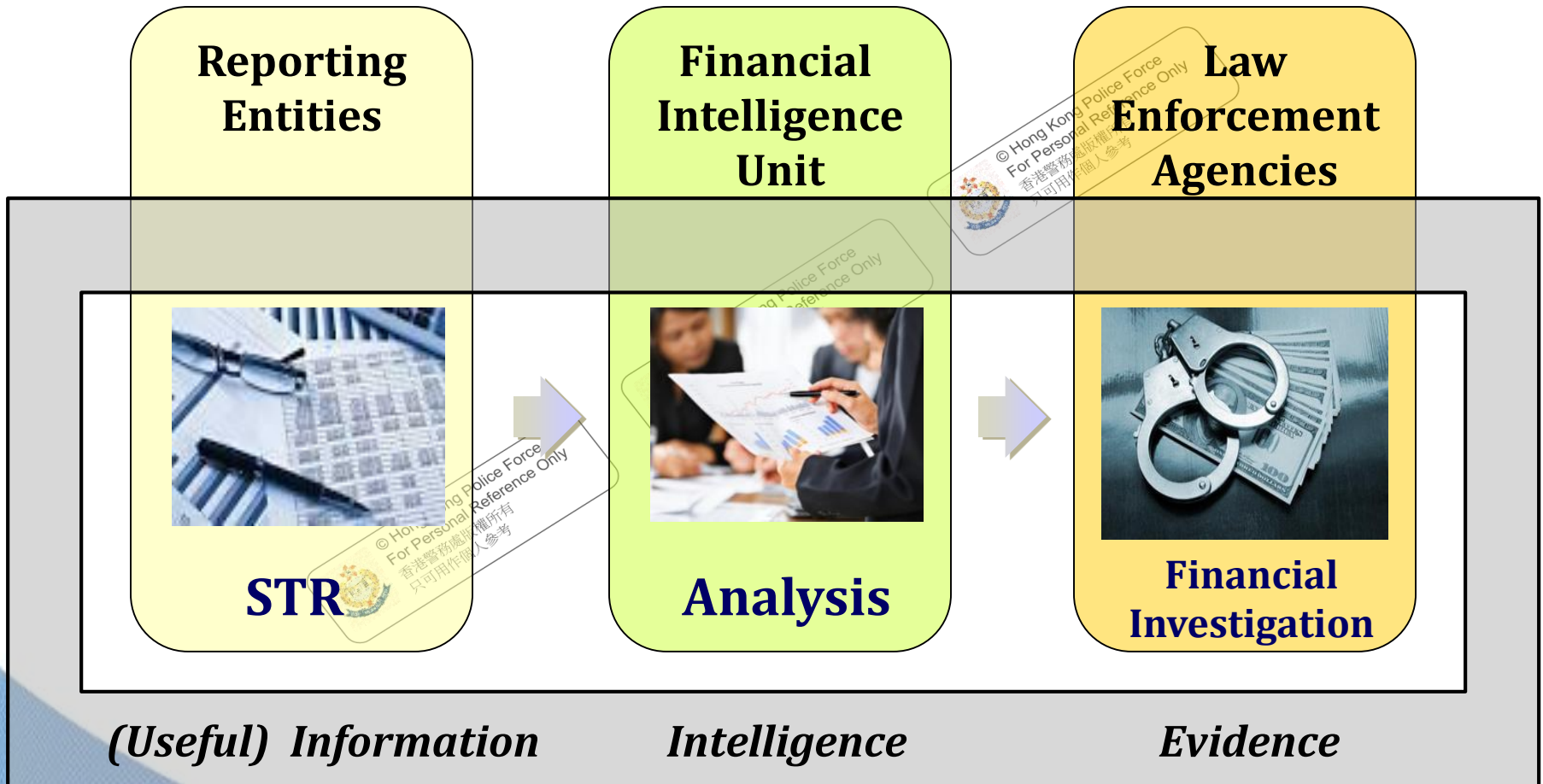
Asset Tracing

Restraint &  
Confiscation

Mutual Legal  
Assistance



# STR Mechanism





# STR Statistics

## Number of STRs Since 2016



# STR Observation

No. of STRs	2016	2017	2018	2019	2020	2021	2022
<b>Annual Total</b>	<b>76,590</b>	<b>92,115</b>	<b>73,889</b>	<b>51,588</b>	<b>57,130</b>	<b>56,913</b>	<b>68,538</b>
<b>Filed by Legal sector</b>	<b>969</b>	<b>555</b>	<b>416</b>	<b>810</b>	<b>807</b>	<b>597</b>	<b>681</b>
<b>% of STR filed by Legal Sector</b>	<b>1.27%</b>	<b>0.60%</b>	<b>0.56%</b>	<b>1.57%</b>	<b>1.41%</b>	<b>1.05%</b>	<b>1.00%</b>



Force Only

# STR Observation

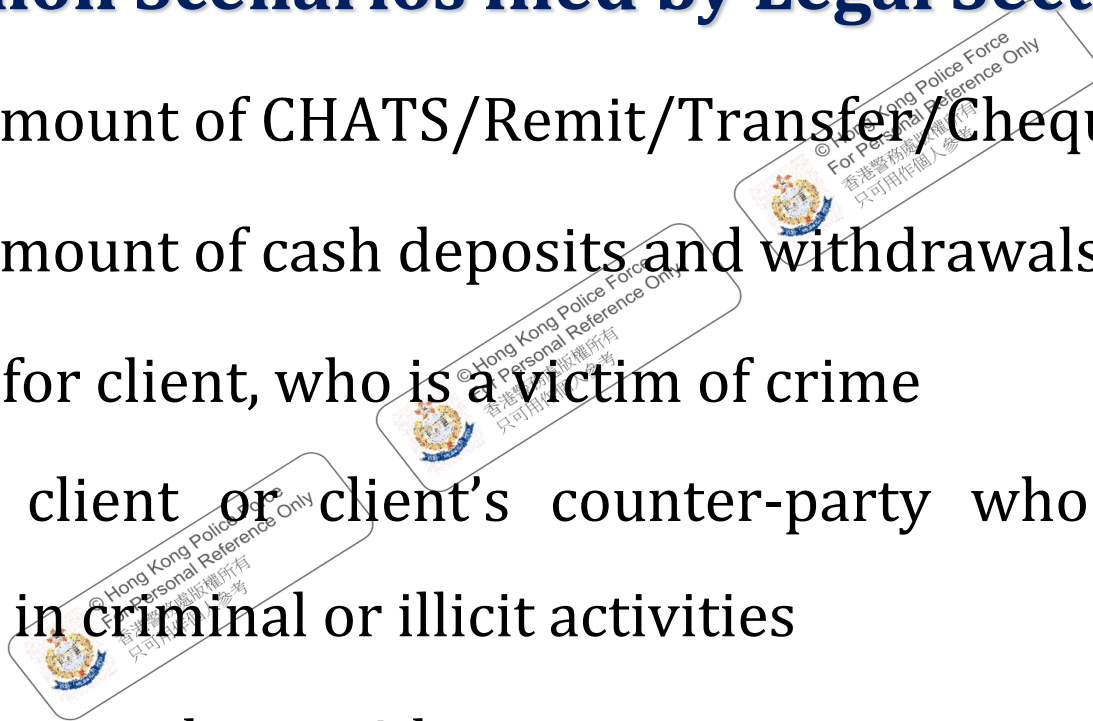
## Breakdown of STRs filed by different sectors in 2022

Sector	No. of STRs received in 2022	Percentage (%)
Banks	55,508	80.99
Insurance Companies	921	1.34
Securities Firms	622	0.91
Virtual Asset Trading Platforms	0	0.00
Money Service Operators	2,623	3.83
Money Lenders	451	0.66
Stored Value Facilities Licensees	6,904	10.07
Estate Agencies	113	0.16
Dealers in Precious Metals & Stones	6	0.01
<b>Legal Professionals</b>	<b>681</b>	<b>0.99</b>
Accounting Professionals	13	0.02
Trust and Company Service Providers	190	0.28
Others	506	0.74
Total	68,538	100

# STR Observation

## Common Scenarios filed by Legal Sectors

- Large amount of CHATS/Remit/Transfer/Cheque
- Large amount of cash deposits and withdrawals
- Report for client, who is a victim of crime
- Report client or client's counter-party who might involve in criminal or illicit activities
- Property purchase without mortgage



# Risk Indicators

## Client

- **Individuals:** Age / Occupation / Reported Salary / History of business ? Non-resident / Corporate from high-risk country?
- **Corporate:** Incorporation date / Business nature / Expected turnover? Complex corporate structure (obscuring ultimate beneficial ownership)?

# Risk Indicators

## Transaction

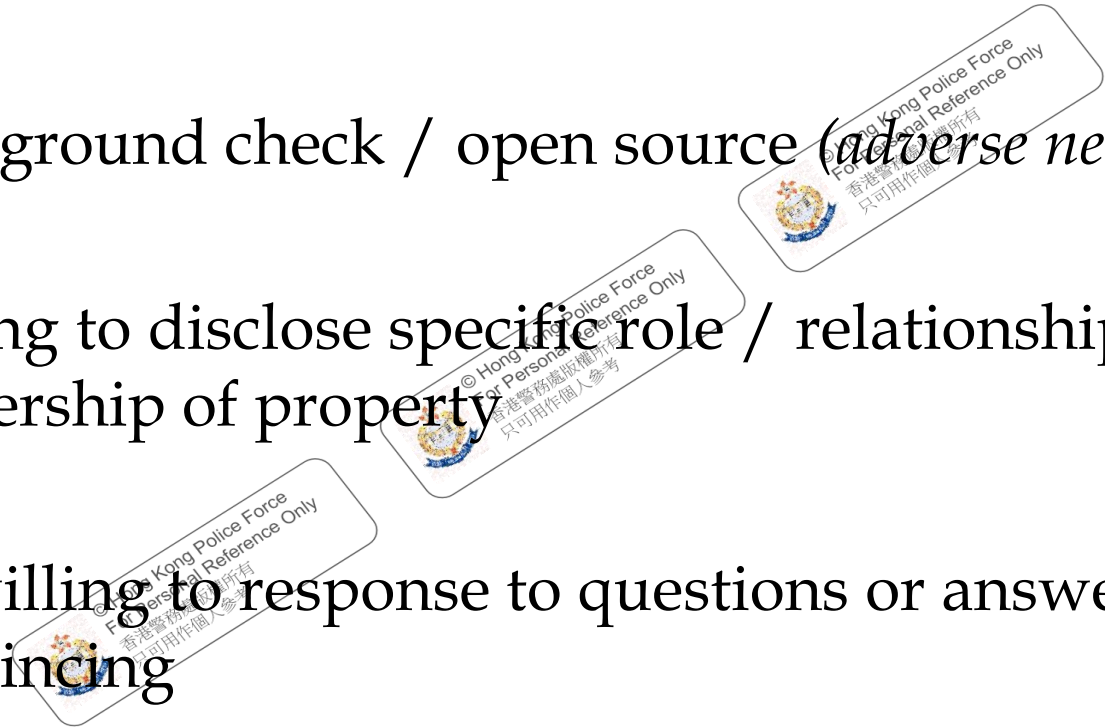
- Payment from 3<sup>rd</sup> party / cashier order?
- Unusual high/ low payment for a property?
- Unexpected amount of transactions / Suspicious patterns?
- Transacted with unrelated parties / jurisdiction?



# Risk Indicators

## Previous Records/ Further Enquiries

- Background check / open source (*adverse news*)
- Failing to disclose specific role / relationship / ownership of property
- Unwilling to response to questions or answers are not convincing
- Unwilling to provide supporting document



# Risk Indicators

## Evaluation

- Information from client is incommensurate with your record in hand?
- Information from client could not be verified?
- The client appeared to be a stooge in the transaction?





# STR Reporting

## STR Form



**REPORT MADE UNDER SECTION 25A OF THE  
 DRUG TRAFFICKING (RECOVERY OF PROCEEDS) ORDINANCE OR  
 ORGANIZED AND SERIOUS CRIMES ORDINANCE/  
 SECTION 12 OF THE UNITED NATIONS (ANTI-TERRORISM MEASURES) ORDINANCE  
 TO THE JOINT FINANCIAL INTELLIGENCE UNIT ("JFIU")**

STR Summary	
STR Number:	<input type="text"/>
Submission Number:	<input type="text"/>
Date of Submission:	<input type="text"/>
Acknowledgement Issue Date:	<input type="text"/>
Consent Letter Issue Date:	<input type="text"/>
Consent:	<input checked="" type="checkbox"/> None <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Consent Remark:	<input type="text"/>

**Special Cases with Time Critical Nature:**

Report Related to Existing Investigation:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
---	---

**Attachment:**

No.	File Name	File Size
1		KB
	Total	KB

# STR Reporting

JFIU  
website



**Joint Financial Intelligence Unit**  
The Government of the Hong Kong Special Administrative Region

GovHK 香港政府一站通 繁體版 簡體版 Text Version SEARCH Please enter the SITE MAP Contact Us

Welcome to The Joint Financial Intelligence Unit (JFIU) website.

- Home
- About JFIU
- News
- Legislation
- Suspicious Transaction Report
- Statistics
- Typologies
- Publications
- E-STR Submission/ Secure Area Login
- Feedback
- Seminars
- Links
- FAQs
- Contact us

## Joint Financial Intelligence Unit

財富情報及調查科「守戶者聯盟」  
打擊洗錢及恐怖分子資金籌集標語設計比賽2021  
Financial Intelligence and Investigation Bureau Project "AccFencers"  
Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT)  
Slogan Design Competition 2021

Welcome to the web site of the Joint Financial Intelligence Unit (JFIU) web site. The web site is designed to provide members of the public in Hong Kong, especially the financial institutions (FIs) including banks, securities and insurance companies, money service operators, money lenders and stored values facility licensees, and the designated non-financial businesses and professions (DNFBP) including legal and accounting professionals, estate agents, trust or company service providers and precious metal and stone dealers, a greater understanding of the laws on money laundering and terrorist financing, and the need to make reports about suspicious transactions.

We hope that any questions which you may have can be answered in the following pages. However, if you need any further information, please feel free to contact JFIU staff. Details of how to contact us can be found in the section [Contact Us](#).

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W3C WAI-AA WCAG 2.0

2019 聯合財富情報處年報  
Joint Financial Intelligence Unit Report 2019

Hong Kong Police Force

Customs & Excise Department

# STR Reporting

JFIU  
website

The screenshot displays the JFIU website interface. At the top, it features the JFIU logo and the text 'Joint Financial Intelligence Unit, The Government of the Hong Kong Special Administrative Region'. Below this is a navigation bar with 'GovHK 香港政府一站通' and language options (繁體版, 簡體版, Text Version). A search bar and 'SITE MAP' link are also present. The main content area has a dark blue sidebar with a menu. The 'Suspicious Transaction Report' item is circled in red. A dropdown menu is open, listing: Home, About JFIU, News, Legislation, Suspicious Transaction Report, Statistics, Typologies, Publications, E-STR Submission/Secure Area Login, Feedback, Seminars, Links, FAQs, and Contact us. The 'Suspicious Transaction Report' dropdown is further expanded to show a list of links: Home, About JFIU, News, Legislation, Suspicious Transaction Report, and Statistics. The 'Download' link is circled in yellow. Below the dropdown, there is a section titled 'Suspicious Transaction Report' with a list of links: How to identify a Suspicion?, When to submit an STR?, How to submit an STR?, What to Report in an STR?, and Download. The bottom of the page includes logos for the Hong Kong Police Force and Customs & Excise Department, along with a copyright notice for the Hong Kong Police Force.

# STR Reporting

## How to submit an STR?

Suspicious Transaction Report And Management System (STREAMS)

Suspicious transaction reports can be made in one of the following ways:



- by e-reporting system, STREAMS
- by email to [jfiu@police.gov.hk](mailto:jfiu@police.gov.hk)



- by fax to : (852) 2529 4013



- by mail, addressed to Joint Financial Intelligence Unit, GPO Box 6555 Hong Kong



- by telephone (852) 2866 3366 (for urgent reports during office hours)



If you want to file STR via STREAMS, you have to complete **the application form** and return to JFIU either by fax (2529 4013) or email ([jfiu@police.gov.hk](mailto:jfiu@police.gov.hk)). If you need any further information, please feel free to contact JFIU staff.

# STR Reporting



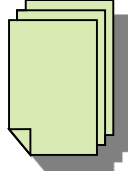
**File a  
STR**

# Case Example (1)

Services for witnessing the signatures of the parties in respect of purchase contracts



Mr. A



Mr. B



Law Firm

## CDD/KYC

- Both parties at their 30s w/o known business
- Isolated purchase w/o business background

## Payment Method

- Purchase to be settled in cash



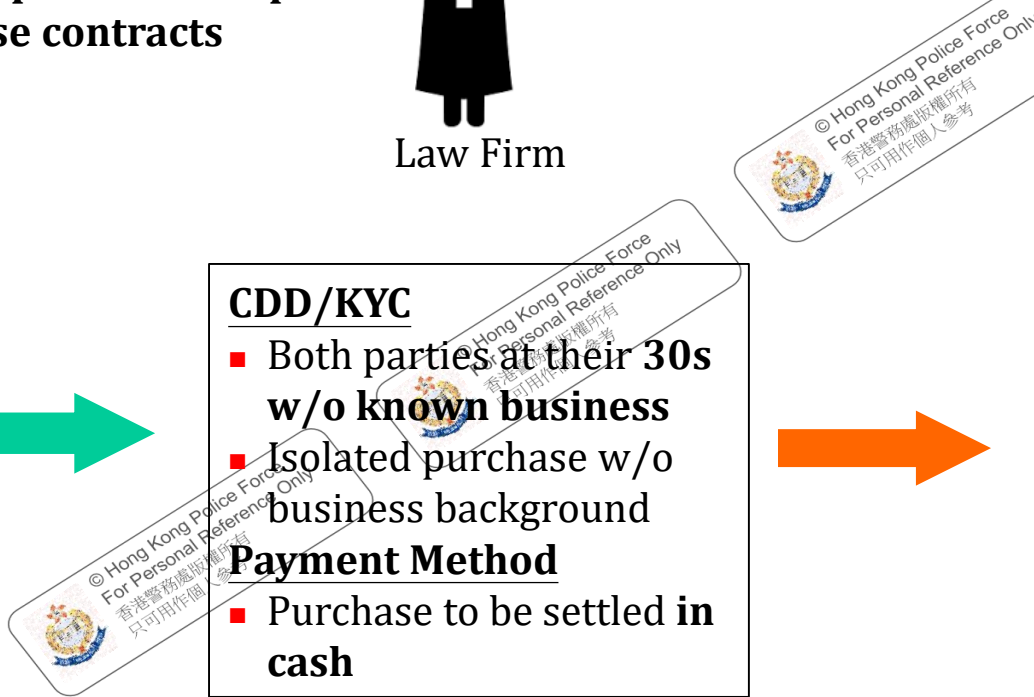
Joint Financial Intelligence Unit



Funds originated from Deception case(s)

Analysis and referral

Detection of the deception and money laundering scheme



# Case Example (2)

On.cc 東網

港澳版 > 新聞 > 港澳

## 假冒名城業主賣樓呃錢 兩漢分囚3年半及4年

2018年05月24日(四) 17:08

Tweet 分享



大圍名城

譚健龍

陳漢明

名城假業主案，譚健龍和陳漢明在區院承認欺詐和洗黑錢共17罪。(資料圖片)

詐騙集團訛稱是大圍屋苑「名城」的業主，欲以920萬港元放售單位，其後指派一名男子，手持與真正業主同名的假身份證簽訂臨時買賣合約，並收取買家價值約292萬港元支票。此外，集團又找另一名男子將名字改成上述業主，並到銀行開戶口，讓集團將該筆款項存入銀行。2名男子早前承認欺詐和洗黑錢共17罪，其中41歲首被告譚健龍今(24日)在區域法院被判監48個月，36歲次被告陳漢明被判監42個月。

首被告曾任職運輸工，現為無業；次被告曾任健身教練，後因被指非禮而失去工作。法官判刑指，涉案人十分精心策劃下工和本案，他們

2021年10月19日(二) 28°C

繁體 简体

爆料

視頻

電子報·刊物

即時新聞

港澳 兩岸 國際 評論 產經

M8 Money

體波 馬經

NEJ 時代

東方日報網頁

搜尋18

星島日報 35.5k 人追蹤 ☆ 追蹤

## 高智騙徒扮名城業主 用假證呃訂292萬

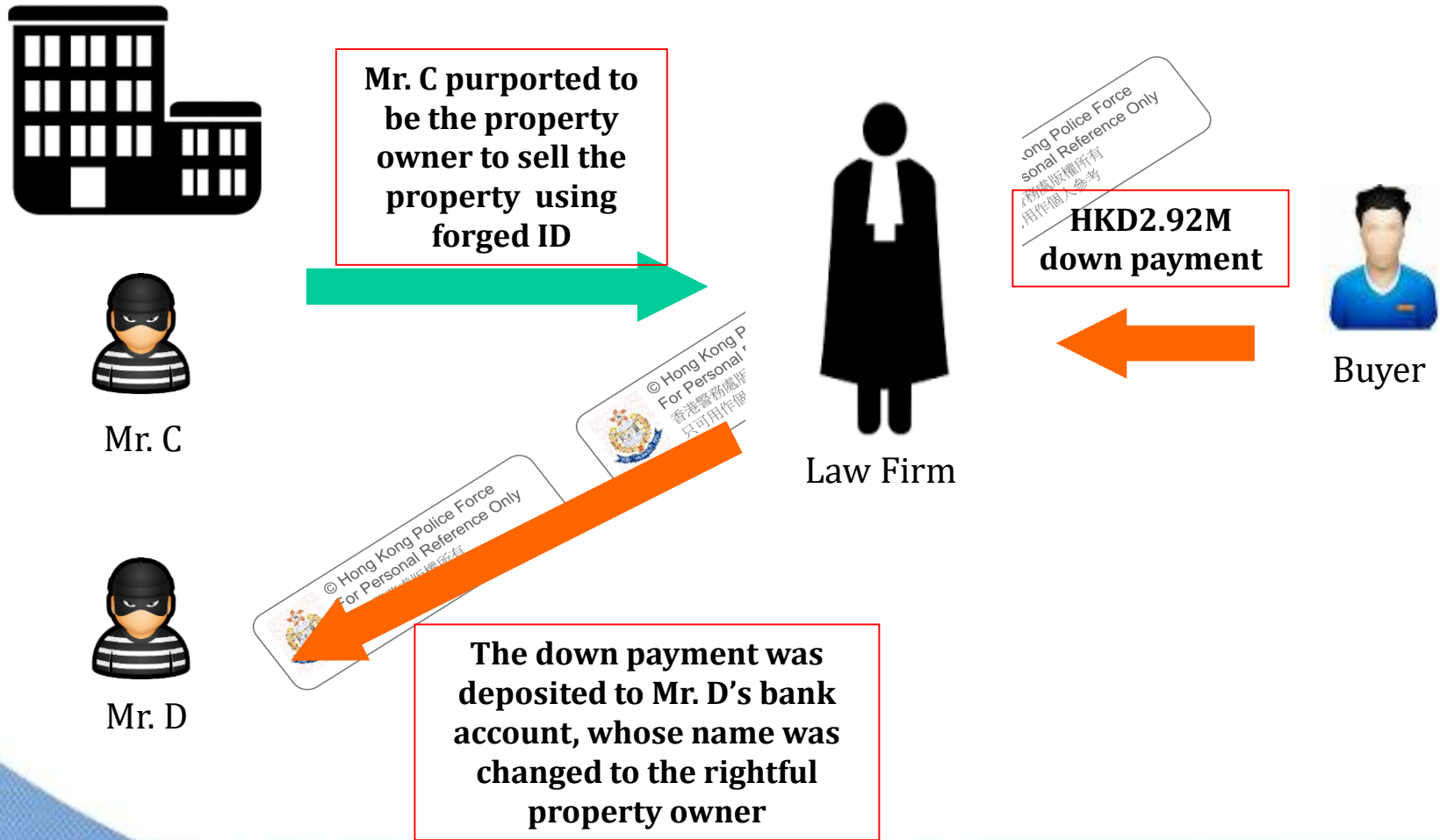
2016年5月17日



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香港警務處  
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# Case Example (2)





# Case Example (3)

on.cc 東網

11月1日 (一) 25°C

繁體 簡體

爆料

視頻

電子報·刊物

即時新聞

- 港澳
- 兩岸
- 國際
- 評論
- 產經
- Money
- 波
- 馬
- NEO時代

東方日報網頁

搖樓18

東方融資

分類廣告

廣告價目

版權收費

17:05 新聞 10:55 建立

10月31日 (日)

推介 45 分享

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更多新聞短片

貸款日期	2021-10-28	貸款性質	樓宇按揭一類
Plan of Interest	Monthly Plan		
Annual Interest Rate	3.00%		
Loan Amount	HK\$0,000,000.00 SIX MILLION ONLY		
貸款用途	用途\$0,000,000.00 即銀圓正		
還款頻率	24 monthly installments of HK\$		
還款程序	24 期	每月供款港幣	45,000.00
還款金額		每月供款港幣	45,000.00
		還款總額	5,045,000.00
		還款總額	5,045,000.00

0:16 / 2:54

畫質 - 自動 720p

阿婆都呢

1/4

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參考

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# Summary

## 1. Role of legal sector

## 2. Importance of CDD / KYC

## 3. STR





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# Thank you