



Suspicious Transaction Reporting: Overview & Statistics

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Headquarters

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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



Functions provided by lawyers



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

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

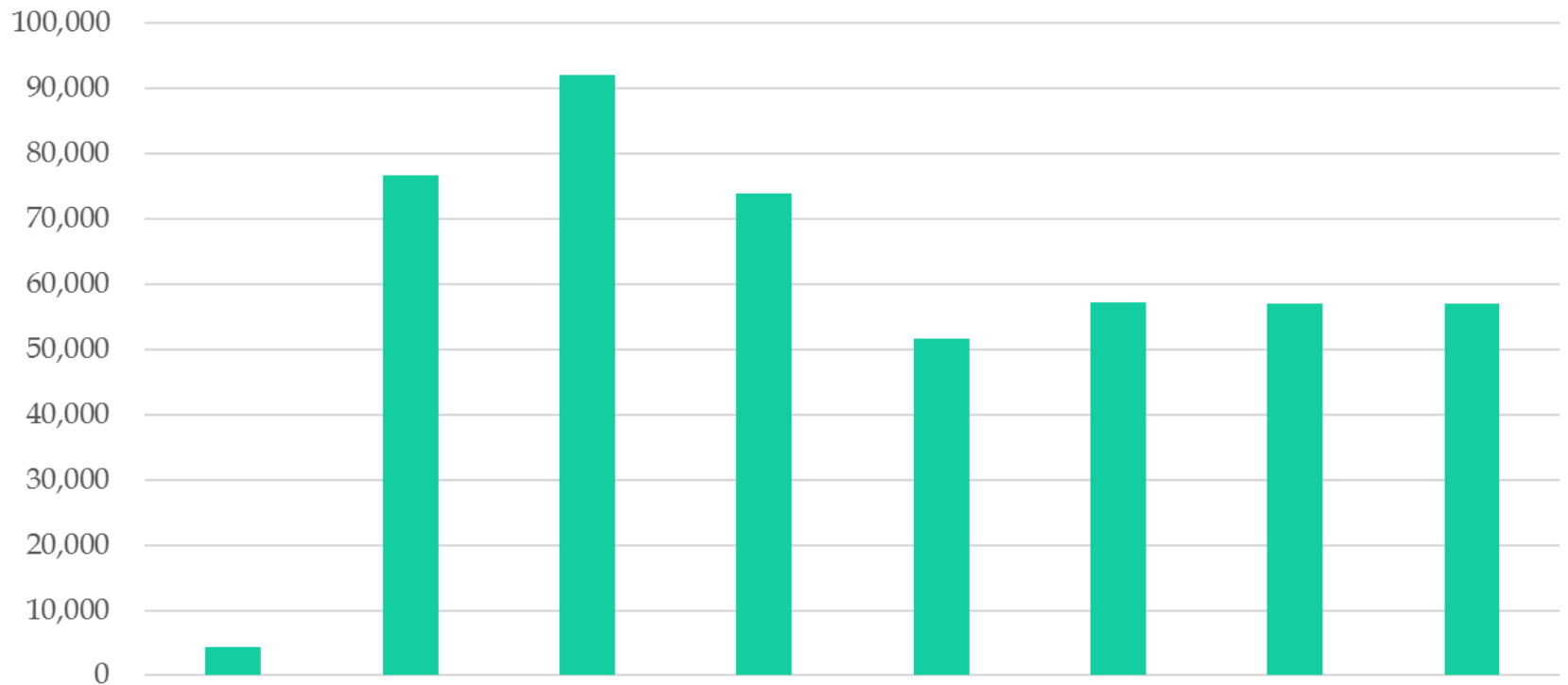
Asset Tracing

Restraint &
Confiscation

Mutual Legal
Assistance

STR Statistics

Number of STR received since 2015



	2015	2016	2017	2018	2019	2020	2021	2022 (Jan-Oct)
Number of STRs	42,555	76,590	92,115	73,889	51,588	57,130	56,913	57,004

STR Observation

No. of STRs	2016	2017	2018	2019	2020	2021	2022 (Jan-Oct)
Annual Total	76,590	92,115	73,889	51,588	57,130	56,913	57,004
File by Legal sector	969	555	416	810	807	597	623
% of STR file by Legal Sector	1.27%	0.60%	0.56%	1.57%	1.41%	1.05%	1.09%

STR Observation

Breakdown of STRs filed by different sectors in 2021

Sector	No. of STRs received in 2021	Percentage (%)
Banks	45,893	80.64
Insurance Companies	1,207	2.12
Securities Firms	678	1.19
Virtual Asset Trading Platforms	16	0.03
Money Service Operators	2,351	4.13
Money Lenders	54	0.09
Stored Value Facilities Licensees	5,032	8.84
Estate Agencies	92	0.16
Dealers in Precious Metals & Stones	10	0.02
Legal Professionals	597	1.05
Accounting Professionals	9	0.02
Trust and Company Service Providers	162	0.28
Others	812	1.43
Total	56,913	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 3rd 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

The screenshot shows the JFIU website interface. At the top, it displays the JFIU logo and the text 'Joint Financial Intelligence Unit The Government of the Hong Kong Special Administrative Region'. Below this, there are navigation options for 'GovHK 香港政府一站通', '繁體版', '简体版', and 'Text Version'. A search bar and 'SITE MAP' are also visible. The main navigation menu on the left includes 'Home', 'About JFIU', 'News', 'Legislation', 'Suspicious Transaction Report' (circled in red), 'Statistics', 'Typologies', 'Publications', 'E-STR Submission/ Secure Area Login', 'Feedback', 'Seminars', 'Links', 'FAQs', and 'Contact us'. A dropdown menu for 'Suspicious Transaction Report' is open, showing 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' (circled in yellow). Below the dropdown, there is a section titled 'Suspicious Transaction Report' with a list of the same links. At the bottom of the page, there are logos for 'W3C WAI-AA WCAG 2.0', 'Hong Kong Police Force', and 'Customs & Excise Department'. The footer text reads: '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](#).'

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



- by fax to : (852) 2529 4013



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

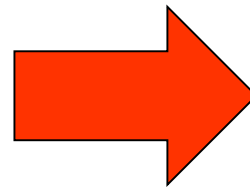
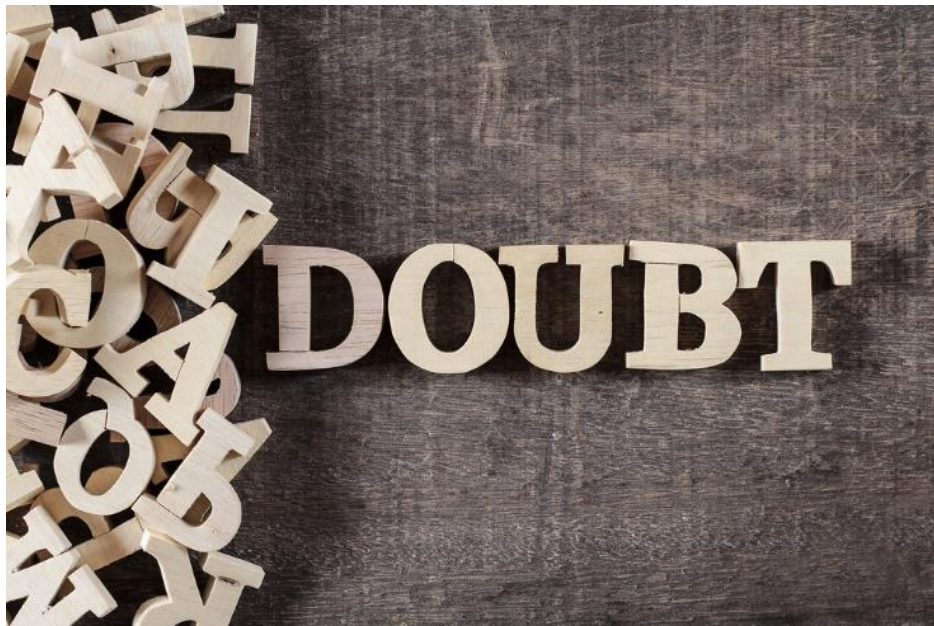


- by telephone (852) 2866 3366 (for urgent reports during office hours)



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). If you need any further information, please feel free to contact JFIU staff.

STR Reporting



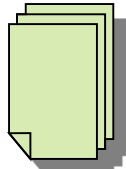
**File a
STR**

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

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

波馬

NEA 時代

東方日報網頁

播樓18

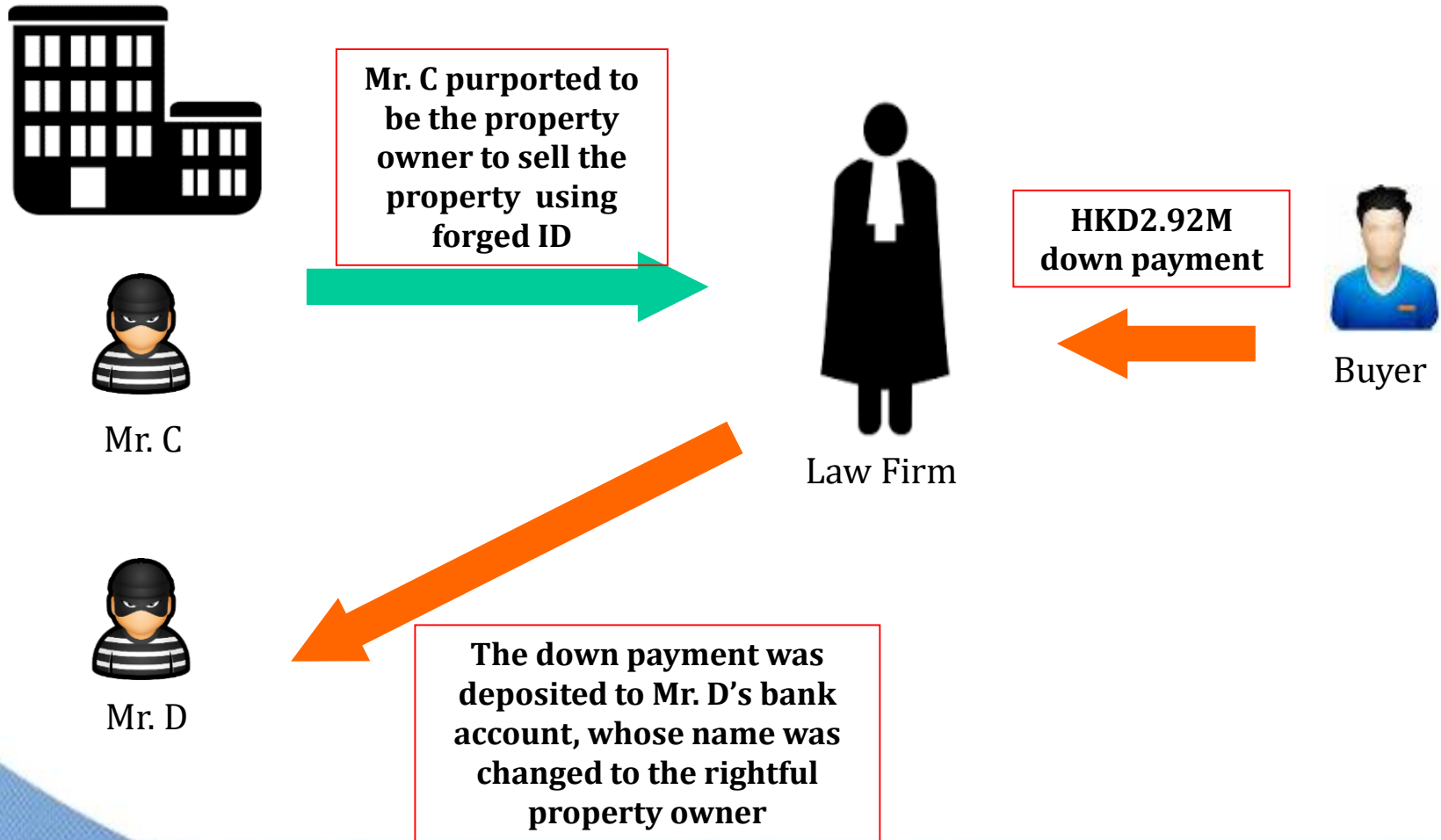
星島日報 35.5k 人追蹤 ☆ 追蹤

高智騙徒扮名城業主 用假證呃訂292萬

2016年5月17日



Case Example (2)



Case Example (3)



東網

17:05 新聞
10:55 獨立

10月31日(日)

推介 45 分享 Tweet 分享

21年11月1日(一) 25°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
- Money
- 娛FUN
- 體波
- 馬經
- NEA 時代

東方日報網頁

搵樓18

東方融資

分類廣告

廣告價目

版權收費

別開林賈堅尼 讓2死5傷 緬奴接蘇斯克查火棒 熱刺今個星期卸手!

港澳版 > 新聞 > 港澳

8旬婦遭偷樓契按揭貸款600萬 警拘2無良騙徒

更多新聞短片

貸款日期	2021-10-28	貸款性質	還字樓樓一即
Period of Interest	Annual Interest Rate	Annual Interest Rate	0.7500%
Loan Amount	HK\$0,000,000.00 SIX MILLION ONLY	還款	每月還款港幣 45,000.00 (只包括利息)
還款週期	24 期	還款	每月還款港幣 45,000.00 (包括 principal and interest)
還款頻率	每月	還款	每月還款港幣 45,000.00 (包括 principal and interest)
還款總額	港幣 6,000,000.00	還款	每月還款港幣 45,000.00 (包括 principal and interest)



Summary

1. Role of legal sector

2. Importance of CDD / KYC

3. STR



Thank you