

The Law Society of Hong Kong

**Client Name Screening Tool
User Guide**

04 March 2026

Disclaimer on Use of the Client Name Screening Tool

The Client Name Screening Tool (the “Tool”) is provided by the Law Society of Hong Kong solely as an aid to support members in compliance obligations related to targeted financial sanctions, terrorism financing, and proliferation financing of weapons of mass destruction. The Tool is primarily designed to screen names against the United Nations Security Council Consolidated Sanctions List (“UN Consolidated Sanctions List”), which contains the names of all individuals, groups, undertakings, and entities that are subject to sanctions measures imposed by the UN Security Council.

The Tool is intended for reference purposes only and does not constitute legal advice or a substitute for members’ own compliance procedures. While the Law Society endeavours to ensure that the Tool is accurate, current, and of practical utility, no representation, warranty, or guarantee is given as to its completeness or reliability.

The Law Society expressly disclaims any liability for decisions made, actions taken, or outcomes arising from the use of the Tool or reliance on its outputs. Members remain independently responsible for conducting appropriate due diligence and ensuring full compliance with all applicable laws, regulations, and professional obligations.

Firms that already have access to commercial screening solutions are encouraged to continue using those existing arrangements, which may offer more comprehensive coverage. Members who do not have access to such solutions, or who wish to supplement their existing processes, are welcome to adopt this Tool as part of their overall compliance framework.

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1. Overview

1. The Tool is primarily designed as a sanctions screening solution to assist legal professionals in screening names against the United Nations Security Council Consolidated List (“**UNSC Consolidated List**”) by enabling quick and accurate identification of potential matches with sanctioned individuals, entities, terrorist groups, or their associates, including sanctioned vessels.
2. Beyond sanctions screening, the Tool incorporates AI-driven searches of publicly available information to identify adverse news linked to a client and help to detect politically exposed persons (“PEPs”). All searches and findings are consolidated and presented in an AI-generated AML client due diligence report (the “**Due Diligence Report**”) – please refer to **section 9** of this Guide for a detailed explanation of what the Due Diligence Report CONTAINS AND WHERE THE INFORMATION IS BEING SOURCED FROM.
3. While the Tool is capable of identifying individuals, entities, and organisations designated under foreign sanctions and global sanctions lists, members should note that foreign sanctions regimes are not part of the international targeted financial sanctions framework and have no legal status in Hong Kong. Accordingly, the Law Society does not promote the Tool for compliance with the foreign sanctions regimes, and members remain solely responsible for addressing any extraterritorial sanctions obligations, including the accuracy of searches conducted.)
4. The Tool is an Excel-based solution with integrated VBA (Visual Basic for Applications)-enabled automated functions designed to streamline sanctions screening and client due diligence processes. VBA is a programming language built into Microsoft Excel that allows the Tool to automate complex tasks—such as connecting to online databases, performing intelligent name matching, and generating reports.

(a) Primary Check – UNSC Consolidated List Screening

Automated screening against the UNSC Consolidated List to identify matches with designated individuals, entities, and terrorist groups.

(b) Advanced check – AI-Enhanced Due Diligence Report,

A comprehensive, AI-driven analysis of publicly available information encompassing the following key areas: (i) Cross-Jurisdictional Sanctions Verification; (ii) Politically Exposed Person (“PEP”) check; (iii) Close Associate and Family Member Search of PEP search; (iv) Adverse Media Screening; (v) Generic Analysis of Terrorist Financing/Proliferations Financing Risk Exposure.

5. The Due Diligence Report serves as a supplementary aid, providing a robust starting point for users to identify potential higher-risk indicators for Money Laundering/Terrorist Financing/Proliferation Financing (“ML/TF/PF”) risk analysis and inform users whether it may warrant enhanced due diligence measures.
6. The Tool is user-friendly and does not require advanced technical expertise. Its intuitive interface automates the screening process, minimizing manual effort and reducing the likelihood of errors or technical issues.

7. For legal professionals, this Tool delivers substantial benefits: it saves time by automating labour-intensive tasks, improves accuracy through sophisticated matching algorithms, and ensures adherence to UN sanctions requirements. By simplifying these processes, it empowers users to concentrate on their core legal responsibilities with greater confidence in the Tool's reliability.

Key features of the Tool:

User-Friendly Format: Built in Excel, requiring no additional software. Scans UNSC Consolidated Lists with one click, highlighting high-probability matches for review.

Single and Batch Checking: Supports single or batch name checks, ideal for large client portfolios or routine due diligence.

Real-Time Database Updates: Dynamically linked to UN Consolidated Sanctions Lists, auto-updates hourly when open, with a manual refresh option to ensure current data.

Straightforward Assessment: Identifies top two potential matches with percentage similarity scores for quick, informed decisions.

Record Keeping: Saves screening results as separate documents, creating a clear audit trail for reviews or inspections.

Due Diligence Report: Generates Know Your Client (“KYC”) reports with AI-driven background checks for sanctions, adverse news, and PEP status, summarising money laundering and terrorist financing risks for due diligence purposes.

2. How To Download the Tool and Handling of Error Message

2.1 Where can I find the tool?

The Tool is available free of charge to all Law Society members. Please login the Member Zone and fill in the “Request Form” for accessing the Tool.

Access Path:

Law Society Website > Member Zone > Support for Members/Law Firms > The Law Society's Client Name Screening Tool for Members

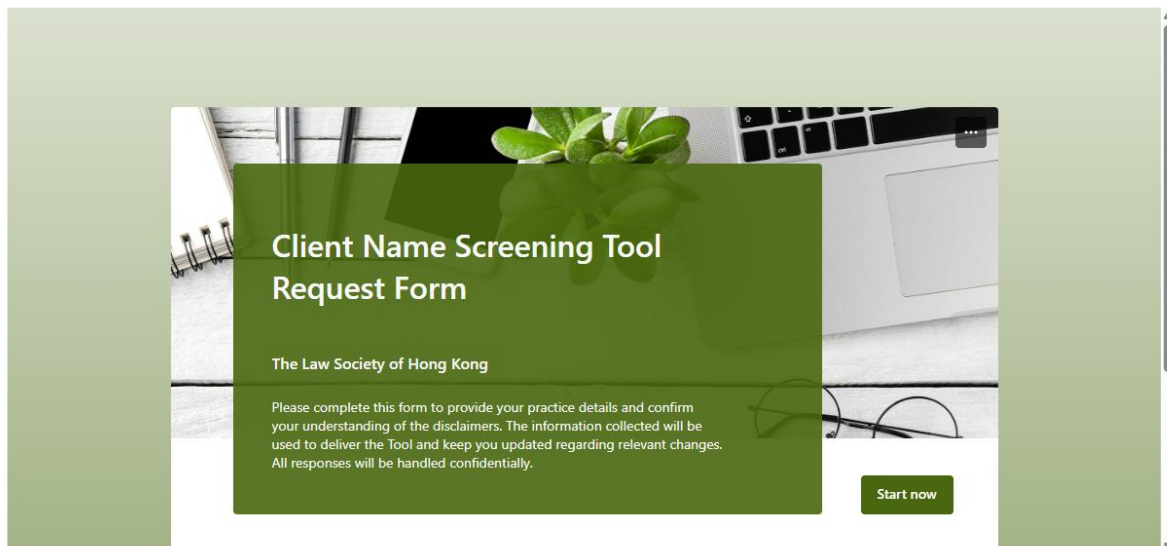
Direct Link: [The Law Society's Client Name Screening Tool for Members](#)

The AML team will provide you the access link once the “Request Form” has been received. Save the Excel file to a secure location on your computer or firm's network drive. We recommend creating a dedicated folder (e.g., "AML Screening Tools") for easy access and version control.

[Members' Home](#) > [Support for Members / Law Firms](#) > [The Law Society's Client Name Screening Tool for Members](#)

The Law Society’s Client Name Screening Tool for Members

Please complete the following form to request access for the Client Name Screening Tool:

A screenshot of a web form titled "Client Name Screening Tool Request Form" from The Law Society of Hong Kong. The form is overlaid on a background image of a desk with a laptop, a notebook, and a small potted plant. The text on the form reads: "Please complete this form to provide your practice details and confirm your understanding of the disclaimers. The information collected will be used to deliver the Tool and keep you updated regarding relevant changes. All responses will be handled confidentially." There is a "Start now" button in the bottom right corner of the form.

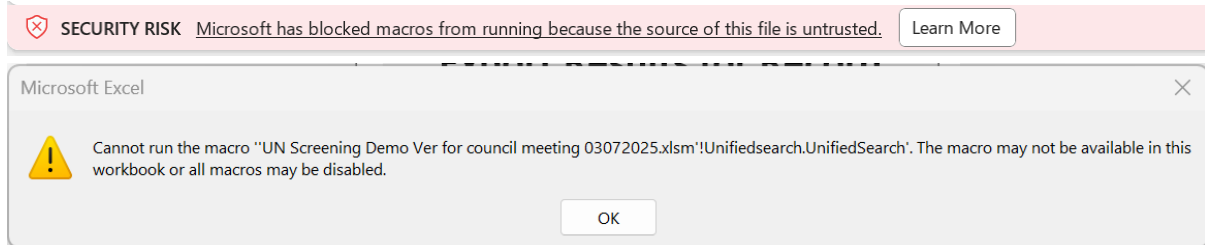
2.2 Error Handling of the Tool

When you first open the Tool, you may encounter the following security prompts or error messages. These are standard Excel security features and can be resolved easily:

2.2.1 Common Error Message 1: Security Risk - Microsoft has blocked macros because the source is untrusted

What you see:

A message stating that Microsoft has blocked macros from running because the file source is untrusted.



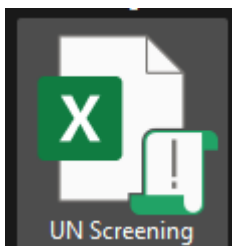
Why this happens:

Windows marks files downloaded from the internet as potentially unsafe. This security feature blocks macros until you explicitly authorize the file.

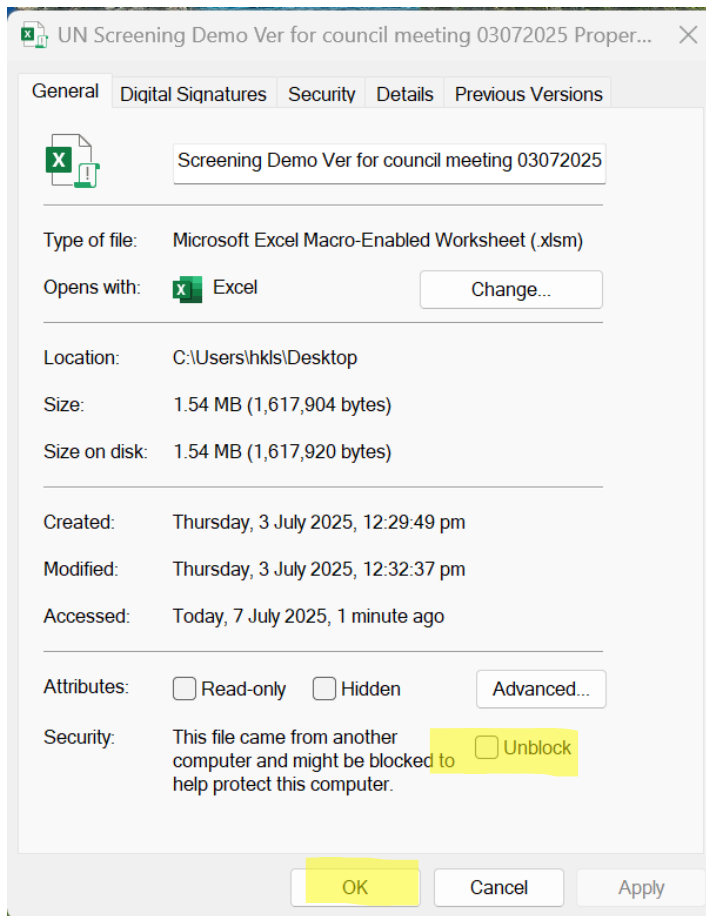
How to fix:

1. **Close Excel completely.**
2. Navigate to the location where you saved the Tool file on your computer.
3. **Right-click** the file and select **"Properties"** from the context menu.
4. In the Properties window that appears, locate the **"Unblock"** checkbox at the bottom of the **"General"** tab.
5. **Check the "Unblock" box** and click **"OK"**.
6. Reopen the Tool in Excel. The macros should now function normally.

Close Excel, find the file on your computer, right-click it, and select "Properties."



The following window will appear. Please check the “Unblock” box and click “OK”



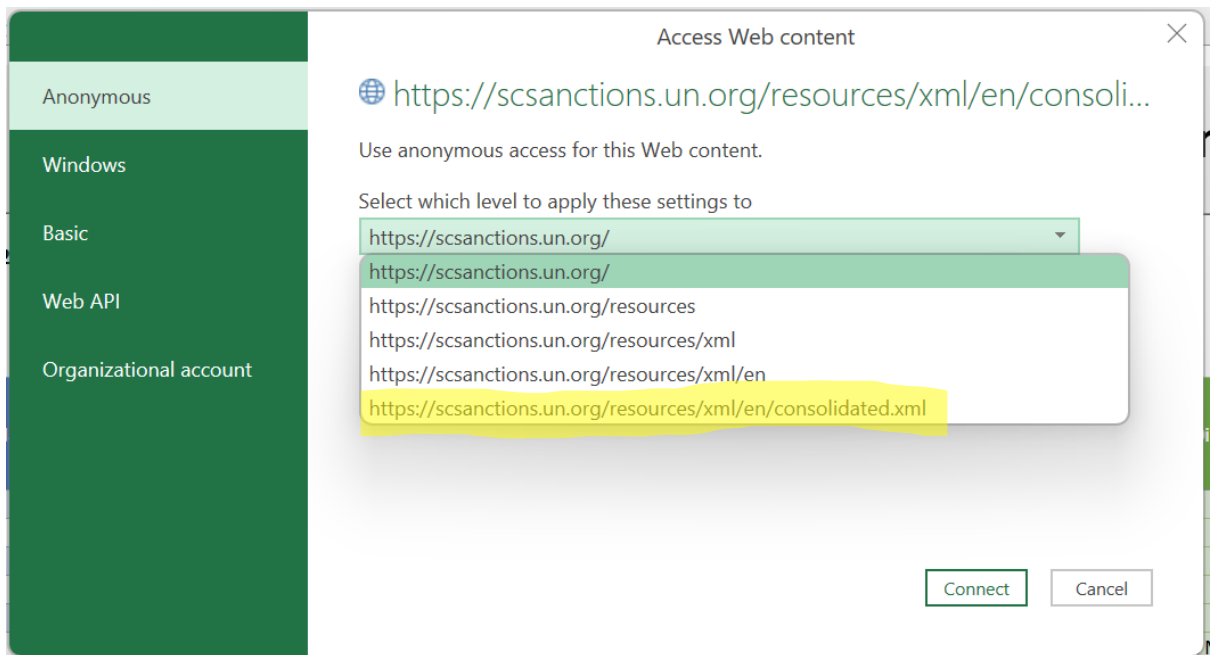
2.2.2 Common Error Message 2: Access Web Content

Why this happens:

The Tool needs to connect to the live UNSC Consolidated List database hosted online to ensure you are screening against the most current sanctions data.

How to fix:

Please select the highlighted and click connect



2.2.3 Common Error Message 3: Some active content has been disabled

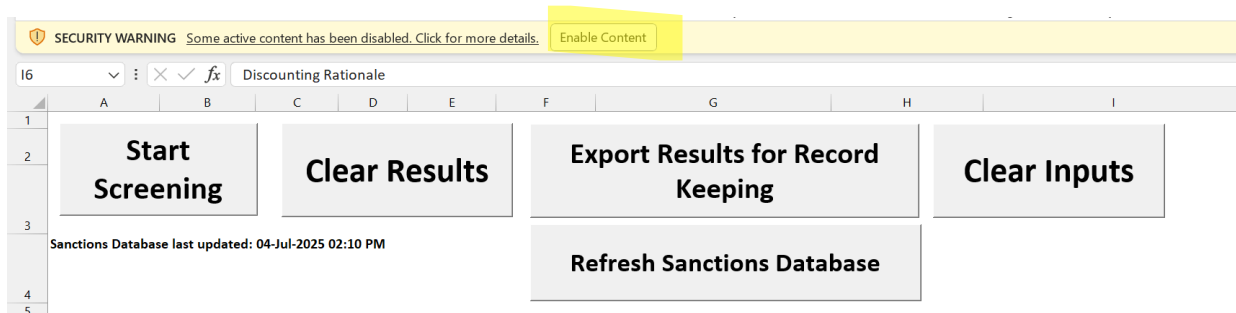
What you see:

A yellow banner at the top of the Excel window stating "SECURITY WARNING: Some active content has been disabled. Click for more details."

Why this happens:

Excel automatically disables macros and active content in files from external sources as a security precaution.

Please click the "Enable Content" to activate the functions of the Tool.



4. Introduction to Functional Buttons



- 4.1. **Start Screening:** This button initiates the screening process once all client names and details have been entered.
- 4.2. **Clear Results:** This feature allows users to remove all data from the results panel. **Please be aware that redo actions in Excel will not restore the erased data.**
- 4.3. **Export Results for Record Keeping:** This function enables the user to export the current data, which includes inputs, alerts, discounting rationales, and matches, into a new Excel file for record keeping.
- 4.4. **Clear Inputs:** This allows users to remove all data from the input panel. **Please be aware that redo actions in Excel will not restore the erased data.**
- 4.5. **Refresh Sanctions Database:** Users have the option to update the database manually, but it will also automatically refresh either every 1 hour while Excel remains open or each time the file is opened.

5. Tool Usage Guide: Interface Sections and Workflow

5.1 Input Panel

	A	B	C	D	E	F	G
1	Start Screening			Clear Results			Exp
2	Start Screening			Clear Results			Exp
3	Sanctions Database last updated: 16-Oct-2025 10:20				Refresh Sanctions Database		
4	Sanctions Database last updated: 16-Oct-2025 10:20				Refresh Sanctions Database		
5	Sanctions Database last updated: 16-Oct-2025 10:20				Refresh Sanctions Database		
	Client Full Name	Chinese Name	ID Document Number	Gender	Nationality/ Place of Incorporation / Entity Jurisdiction	Date of Birth/ Date of Incorporation (dd-mm-yyyy)	Entity Name
6	▼	▼	▼	▼	▼	▼	▼
7							
8							
9							
10							
11							
12							
13							
14							
15							

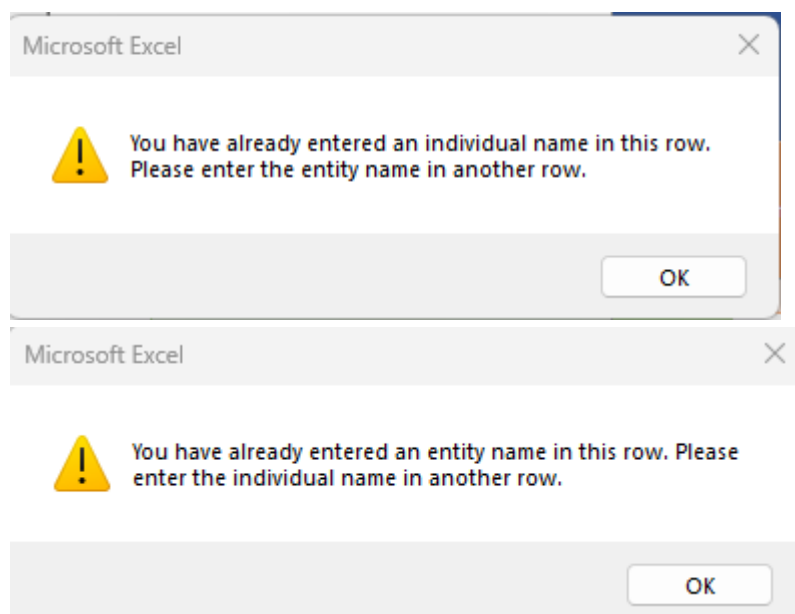
The Input Panel (columns A to G in the Search worksheet) is where users enter client details for screening against UN sanctions lists. This section allows input of individual names (column A), Chinese Name (column B), ID Document Number (column C), Gender (column D), Nationality/ Place of Incorporation/ Entity Jurisdiction (column E), Date of Birth/ Date of Incorporation (dd-mm-yyyy) (column F) and Entity names (column G).

5.2 Guidance and Rules on Inputting Names and Details for Screening

5.2.1 Separate Rows for Distinct Parties

For corporate client screening, enter each distinct party—entity name, beneficial owner’s name, and connected party’s name in separate rows starting from row 7 in the **Search** worksheet. This ensures the Tool processes each name independently against the **Individual** and **Entity** sanctions lists for accurate matching. Combining individual names (column A) and entity names (column G) in the same row will prevent the Tool from functioning correctly, as it relies

on distinct row-based processing. Error messages will appear to prompt users to enter details in separate rows.



- **Example:** For a corporate client "ABC Corp" with beneficial owners, "John Doe" and "Jane Smith," use three separate rows.

5.2.2 Individual Client Name Format

Enter the individual English name in the **"Client Full Name" (column A)**, please omit the title (e.g. Ms/Mr/Miss/Dr).

If applicable, provide the client's Chinese name in the **"Chinese Name" field (Column B)** in the same row.

5.2.3 Entity Names

For corporate clients (legal persons), enter the full legal name in the **"Entity Name" field (Column G)**, as it appears in official documentation. **Both** English and Chinese characters are supported in this column. If the entity has both English and Chinese names, input them in separate rows. Avoid abbreviations unless they are an integral part of the legal name.

- **Example:** Enter "XYZ International Ltd" exactly as shown, not "XYZ Int. Ltd."

5.2.4 Name Formatting Tips

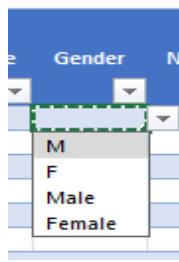
- **Consistency:** Use consistent spelling (e.g., "William" instead of "Wm." or "Will").
- **Clean Data:** Avoid extra spaces, special characters, or non-printable characters.

5.2.5 Specifying Gender

Enter gender information in **Column D** using one of the following formats:

- Single letter: "M" or "F"

- Full word: "Male" or "Female"



A dropdown list is created for user to select the gender directly.

5.2.6 Entering Nationality

Enter nationality in **Columns E (Nationality/ Place of Incorporation/ Entity Jurisdiction)** using the full country name, not abbreviations. This ensures consistency with sanctions data and reduces ambiguity in match verification.

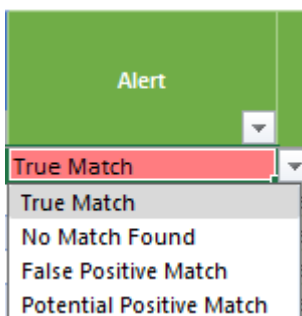
- **Example:** Enter "United States" instead of "USA" or "US."

5.3 Alert Panel and Match / Discounting Panel

5.3.1 Types of Alert

After inputting the client details in the **Input Panel**, users can click on the “Start Screening” button to execute the screening. The “Alert” column in column J will pop-up alerts with the following 4 categories: “True Match”, “Potential Positive Match”, “False Positive Match” and “No Match Found”.

- True Match:** Indicates a 99% or higher similarity score, typically an exact or near-exact name match with a sanctioned party, requiring immediate attention.
- Potential Positive Match:** Represents scores between 80% and 99.8%, suggesting a possible match that warrants further review.
- False Positive Match:** Indicates partial matches (below 80%) that are unlikely to be sanctioned parties but may share some name components.
- No Match Found:** Denotes no significant similarity with any sanctioned party.



After assessing the match and confirming it is not the client, users can use the created dropdown list to change the alert type from “True Match” or “Potential Positive Match” to “False Positive Match”.

Users should focus on reviewing alerts labelled "True Match" or "Potential Positive Match" first, as they are more likely to point to a sanctioned individual or entity.

5.3.2 Matching / Discounting Rationale

The Tool also includes preset narrative as a “Matching / Discounting Rationale” in column K when details like gender, nationality, or date of birth don’t match the candidate from the sanctions list. This helps users quickly decide if a match can be discounted. For example:

Alert	Matching / Discounting Rationale
True Match	Name matched with sanctioned party
True Match	Name matched with sanctioned party
Potential Positive Match	
Potential Positive Match	
Potential Positive Match	
Potential Positive Match	

- If the input gender is "MALE" and the retrieved gender is "FEMALE," it will show "Gender Mismatch."
- If the input nationality is "UNITED STATES" and the retrieved nationality is "UNITED KINGDOM," it will show "Nationality/ Entity Jurisdiction Mismatch."
- If the input year of birth differs significantly from the retrieved year (e.g., more than ±3 years apart), it will show "Date of Birth (Year) Mismatched."

These notes help you spot false positives fast, making compliance decisions easier and quicker.

5.4 Result Panel

5.4.1 Understanding Similarity Scores and DataID in the Result Panel

When the screening is complete, the Result Panel displays basic details of the top two potential matches to the client's name.

Similarity Scores:

- The similarity percentage is displayed in **Column L** (for the first match) and **Column S** (for the second match).

DataID:

- Each potential match is assigned a unique **DataID** (displayed in **Column M** for the first match and **Column T** for the second match).
- The DataID serves as a reference number linking the result to the full sanctions record in the UN database.

User Action: Review the similarity score and use the DataID to access detailed information about the sanctioned party (see Section 5.3.2 below).

L	M	N	O	P	Q	
<p>Disclaimer: The Law Society provides the United Sanctions Screening Tool to support its members in meeting their sanctions compliance obligations. While every effort has been made to ensure the tool is useful and up-to-date, the Law Society does not accept responsibility for any decisions, actions, or outcomes resulting from the use of the tool or reliance on its output.</p>						
<h2 style="margin: 0;">1st Top Match against Sanctioned Party</h2> <p style="margin: 0; font-size: small;">(Details of the Sanctioned Individuals/Entities/Groups)</p>						
Similarity Score	DataID	1st Best Match Name	GENDER 1	Date of Birth 1	NATIONALITY 1_1/ Entity Jurisdiction	NATIONALITY 1_2 Jurisdiction
100.00%	111077	ATIQULLAH		APPROXIMAT	Afghanistan	
100.00%	2983973	MALIK ZAFAR IQBAL SHAHBAZ		EXACT:	Pakistan	
100.00%	6908579	ABDOULAYE HISSENE		EXACT:1967	Central African Republic	Chad
100.00%	6908531	ABU ISMAIL AL-MAGHRIBI		EXACT:	Morocco	

S	T	U	V	W	X	
2nd Top Match against Sanctioned Party						
(Details of the Sanctioned Individuals/Entities/Groups)						
Similarity Score2	DataID2	2nd Best Match Name	GENDER 2	Date of Birth 2	NATIONALITY 2_1/ Entity Jurisdiction	NATIONALITY 2_2/ Entity Jurisdiction
▼	▼	▼	▼	▼	▼	▼
91.51%	6908840	ABDOULAYE MISKINE		EXACT:	Chad	Central Af

5.4.2 Accessing Detailed Information About a Matched Sanctioned Party

To view comprehensive details about a potential match and make an informed assessment, you can access the full sanctions record directly from the Result Panel.

How to Access:

1. Locate the **DataID** in **Column M** (first match) or **Column T** (second match).
2. **Double-click** the DataID cell.
3. A detailed information form will open, displaying additional data retrieved directly from the UN Consolidated Sanctions List.

User Action: Use this information to determine whether the match is a true positive (the client is the sanctioned party) or a false positive (similar name but different individual/entity). Document your assessment in the client matter file.

er:
 society pr
 ce obligat
 accept re

DataID	DataID2
6908719	
110915	
2863362	110447
110912	6908887
113222	
6908405	
110580	110941
110554	

Users can double-click on the DataID (e.g., 6908719) in the designated columns to open a detail form.

Sanctioned Party Details ×

Client Name

Sanctioned Individual / Entity Name

Matched Name **Similarity Scores** 100%

ABID HAMID MAHMUD AL-TIKRITI
Match type: Direct

ALIASES/Other Names

Alias1 Quality: Good
Alias1: Abid Hamid Bid Hamid Mahmud

Alias2 Quality: Good
Alias2: Col Abdel Hamid Mahmoud

Alias3 Quality: Good
Alias3: Abed Mahmoud Hammud

Name (Original Script)

Gender

Date of Birth

DataID UN List Type

Reference Number

Nationality/
Place of Birth/
Entity Address

Nationality 1: Iraq
Place of Birth 1: Iraq, al-Awja, near Tikrit

Additional Information

Sanctions List: UN Consolidated Sanctions List

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6 Case Demonstration: Step-by-Step Screening Workflow

Corporate Client 1 Details:

Client 1 Name: Yat Tung Energy Limited

Incorporation Place: Hong Kong

Incorporation Date: 01/08/2023

Connected Party Details – Director 1:

Director First Name: Janis Tin Tan

Director Last Name: Cheung

DOB: 13 Jun 1988

Gender: Female

Nationality: Hong Kong

Corporate Client 2 Details:

Client 2 Name: Pan Pacific Trading Limited

Incorporation Place: Hong Kong

Incorporation Date: 01/08/2023

Business Activity & Transaction Context

Primary Operations: The company operates within the global shipping industry. Recently, it has diversified into the trading of coal and fuel within the Asia-Pacific (APAC) region.

Purpose of Retainer:

Incorporation of a new subsidiary to manage future commodity transactions.

Application for/Review of a Letter of Credit (LC) for trade finance purposes.

Associated Assets (Vessels for Screening)

The client has recently engaged or chartered the following vessels:

- **IMO 9630444**
- **IMO 5571322**
- **IMO 9894973**

Connected Party Details – Director 2:

Director First Name: Sally

Director Middle Name: Anna

Director Last Name: Jolie

DOB: 13 Jun 1977

Gender: Female

Nationality: Argentine

BO Details:

Client First Name: Tai Man

Client Last Name: Chan

Other Known Name(s): Simon Chan

DOB: 13 Jun 1988

Gender: Male

Nationality: Hong Kong

6.1 Input Requirements: Entering Names Correctly

Individual/ Entity names should be input in separate rows to make sure the Tool will run properly. Do not combine multiple names in a single row or use merged cells, as this may cause errors or incomplete screening results.

	A	B	C	D	E	F	G
1	Start Screening			Clear Results			Exp
2							
3	Sanctions Database last updated: 16-Oct-2025 12:21				Refresh Sanctions Database		
4							
5							
6	Client Full Name	Chinese Name	ID Document Number	Gender	Nationality/ Place of Incorporation / Entity Jurisdiction	Date of Birth/ Date of Incorporation (dd-mm-yyyy)	Entity Name
7					Hong Kong	1/8/2023	Yat Tung Energy Limited
8					Hong Kong	1/8/2023	Pan Pacific Trading Limited
9	Tai Man Chan			Male	Hong Kong	13/6/1988	
10	Simon Chan			Male	Hong Kong	14/6/1988	
11	Janis Tin Tan Cheung			Female	Hong Kong	13/6/1988	
12	Sally Anna Jolie			Female	Argentine	13/6/1977	
13	Janis Cheung			Female	Hong Kong	13/6/1988	
14	Tin Tan Cheung			Female	Hong Kong	13/6/1988	

6.2 Initiating the Screening Process

Once all client names have been entered in the Input Panel:

1. Click the "**Start Screening**" button.
2. The Tool will connect to the live UNSC Consolidated List and perform fuzzy matching against all designated parties.
3. Results will appear in the **Result Panel** below the input area.

6.3 Case Example: Reviewing a Potential Match

Scenario:

In this example, a **"Potential Positive Match"** is flagged in the **Alert** column (column J) for the corporate client named **Yat Tung Energy Limited**.

Initial Findings:

- **Similarity Score:** 82.25% (displayed in Column L)
- **1st Top Match:** Yuk Tung Energy PTE LTD
- **DataID:** 6908689 (displayed in Column M)

J	K	L	M	N	O	P	Q
<div style="border: 1px solid gray; padding: 5px; width: 100px; text-align: center;">Loading</div>	<div style="border: 1px solid gray; padding: 5px; width: 150px; text-align: center;">Clear Inputs</div>	<p>Disclaimer: The Law Society provides the United Sanctions Screening Tool to support its members in meeting their sanctions compliance obligations. While every effort has been made to ensure the tool is useful and up-to-date, the Law Society does not accept responsibility for any decisions, actions, or outcomes resulting from the use of the tool or reliance on its outputs.</p>					
		<h3>1st Top Match against Sanctioned Party</h3> <p>(Details of the Sanctioned Individuals/Entities/Groups)</p>					
Alert	Matching / Discounting Rationale	Similarity Score	DataID	1st Best Match Name	GENDER 1	Date of Birth 1	NATIONALITY 1_1/ Entity Jurisdiction
Potential Positive Match	Nationality/Entity Jurisdiction Mismatch	82.25%	6908689	YUK TUNG ENERGY PTE LTD			Singapore

Step 1: Access Detailed Information

To investigate further, **double-click the DataID "6908689"** in Column M. This opens a detailed form displaying the sanctioned entity's full profile from the UN Consolidated Sanctions List.

Sanctioned Party Details ✕

<p>Client Name</p> <div style="border: 1px solid gray; padding: 2px;">Yat tung energy limited</div> <p>Sanctioned Individual / Entity Name</p> <div style="border: 1px solid gray; padding: 2px;">YUK TUNG ENERGY PTE LTD</div> <p>Matched Name Similarity Scores 82%</p> <div style="border: 1px solid gray; padding: 2px; background-color: #e0f0ff;"> YUK TUNG ENERGY PTE LTD Match type: Similarity Match </div> <p>ALIASES/Other Names</p> <div style="border: 1px solid gray; padding: 2px; min-height: 50px;">No Aliases</div>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid gray; width: 60%;">Name (Original Script)</td> <td style="border-bottom: 1px solid gray;"></td> </tr> <tr> <td style="border-bottom: 1px solid gray;">Gender</td> <td style="border-bottom: 1px solid gray;">N/A</td> </tr> <tr> <td style="border-bottom: 1px solid gray;">Date of Birth</td> <td style="border-bottom: 1px solid gray;">N/A</td> </tr> </table> <table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="border-bottom: 1px solid gray; width: 30%;">DataID</td> <td style="border-bottom: 1px solid gray;">6908689</td> <td style="border-bottom: 1px solid gray; width: 20%;">UN List Type</td> <td style="border-bottom: 1px solid gray;">DPRK</td> </tr> <tr> <td style="border-bottom: 1px solid gray;">Reference Number</td> <td style="border-bottom: 1px solid gray;">KPe.075</td> <td style="border-bottom: 1px solid gray;">Listed date (DD-MM-YYYY)</td> <td style="border-bottom: 1px solid gray;">30-03-2018</td> </tr> </table> <div style="border: 1px solid gray; padding: 5px; margin-top: 10px; font-size: x-small;"> Entity Address 1: 80 Raffles Place, #17-22 UOB Plaza, Singapore, Singapore, 048624 </div> <div style="border: 1px solid gray; padding: 5px; margin-top: 10px; font-size: x-small;"> Additional information Ship manager and commercial manager of the YUK TUNG, which conducted ship-to-ship transfer of refined petroleum product. IMO number: 5987860. </div>	Name (Original Script)		Gender	N/A	Date of Birth	N/A	DataID	6908689	UN List Type	DPRK	Reference Number	KPe.075	Listed date (DD-MM-YYYY)	30-03-2018
Name (Original Script)															
Gender	N/A														
Date of Birth	N/A														
DataID	6908689	UN List Type	DPRK												
Reference Number	KPe.075	Listed date (DD-MM-YYYY)	30-03-2018												

Sanctions List: UN Consolidated Sanctions List

Step 2: Review and Assess the Match

Based on the detailed information retrieved and our knowledge of the client, we can assess whether this is a true match or a false positive.

Assessment Rationale:

After reviewing the detailed form and comparing it with the client's information, we can discount this "**Potential Positive Match**" as a "**False Positive Match**" for the following reasons:

1. Partial Name Match:

- **Client Name:** Yat Tung Energy Limited
- **Sanctioned Entity:** Yuk Tung Energy PTE LTD
- The core names differ (Yat vs. Yuk). Common suffixes (Limited, LTD, PTE) do not materially affect the assessment but indicate partial rather than exact similarity.

2. Entity Jurisdiction Mismatch:

- **Client:** Incorporated and operating in **Hong Kong**
- **Sanctioned Entity:** Operating in **Singapore** (based on address listed on the sanctions list)
- Different jurisdictions and operational bases suggest these are separate entities.

3. Timeline Inconsistency:

- **Sanctioned Entity Listing Date:** 30 March 2018 (according to the "Listed date" field)
- **Client Incorporation Date:** 1 August 2023
- The client was incorporated **five years after** the sanctioned entity was designated. Based on this timeline and other contextual factors, the client is unlikely to be the sanctioned entity.

Conclusion: This is a **false positive**—the client is not the sanctioned party.

6.4 Documenting Your Assessment

Record-Keeping Requirement:

It is **strongly recommended** that users document their assessment and rationale in the "**Matching / Discounting Rationale**" field (Column K).

Example Entry:

"False positive. Partial name match (Yat vs. Yuk), different jurisdiction (HK vs. SG), and client incorporated 5 years after sanctioned entity was listed (2023 vs. 2018). Client is not the sanctioned party."

Yat tung energy limited	False Positive Match	<p>1. Partial Name Match: The corporation's name of the client is Yat Tung Energy, while the sanctioned entity is Yuk Tung Energy. Common suffixes such as Limited, LTD, and PTE do not materially affect the assessment but highlight that this is only a partial similarity rather than an exact match.</p> <p>2. Entity Jurisdiction Mismatch: The client is incorporated and operating in Hong Kong, while the sanctioned entity is likely operating in Singapore.</p> <p>3. Additional Contextual Information: As the details indicate, the sanctioned entity was designated by the United Nations on 30-03-2018, while the client was incorporated in Hong Kong on 01-08-2023. Based on this timeline and other contextual factors, the client is unlikely to be the sanctioned entity.</p>	6908689 82.25%	YUK TUNG ENERGY PTE LTD
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6.5 Exporting Results for Record Keeping

Once you have completed the assessment of all **"True Matches"** and **"Potential Positive Matches"**, you must export the results for compliance and audit purposes.

How to Export:

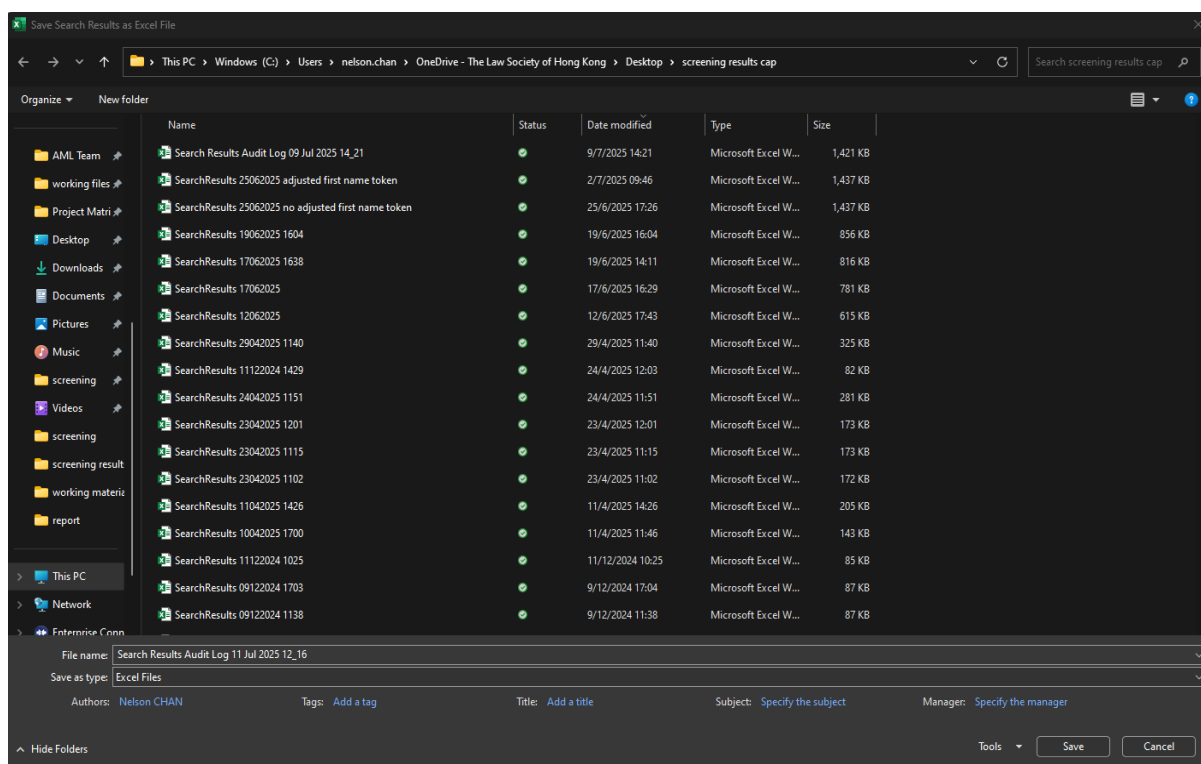
1. Click the **"Export Results for Record Keeping"** button.
2. A new Excel file will be generated, serving as an **audit log** containing:
 - All screening results
 - Similarity scores
 - Match details
 - Your documented assessments



Saving the File:

3. A "Save As" dialog will appear.
4. The file name is preset in the following format: **"Search Results Audit Log DD MM YYYY HH_MM"**
5. You may change the file name to align with your firm's naming standards or preferences.

6. Save the file to your preferred location (e.g., the client matter file or a dedicated AML compliance folder).



Compliance Tip: Always retain these audit logs in the client matter file. They provide evidence of your sanctions screening compliance and can be produced during regulatory inspections or internal audits.

6.6 Summary of the Case Demonstration Workflow

1. **Input names** in separate rows in the Input Panel.
2. **Click "Start Screening"** to initiate the check.
3. **Review results** in the Result Panel, focusing on any flagged alerts.
4. **Double-click DataID** to access detailed information about potential matches.
5. **Assess and document** your rationale in Column K (Matching / Discounting Rationale).
6. **Export results** for record-keeping and audit purposes.

7 AI-Gen Due Diligence Report

Disclaimer & Purpose of Use

1. Purpose and Utility

The Due Diligence Report is designed to streamline client risk assessment, particularly for member firms with limited resources or specialized AML/CTF/CPF experience. By automating searches of publicly available information—covering sanctions, PEP status, adverse media, and terrorist financing/proliferation financing analysis—the Tool provides an efficient starting point for due diligence obligations under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (AMLO, Cap. 615), United Nations Sanctions Ordinance (UNSO, Cap. 537), United Nations (Anti-Terrorism Measures) Ordinance (UNATMO, Cap. 575), and Practice Direction P.

1A. The Law Society's Position and User Responsibilities

As the regulatory body for the legal profession in Hong Kong, the Law Society recognizes the practical challenges that solicitors' firms face in complying with increasingly complex AML/CTF/CPF obligations, particularly regarding sanctions screening, PEP identification, and adverse media searches. This Tool has been developed out of goodwill to support the profession, especially small and medium-sized firms that may have limited resources or in-house expertise in these specialized areas.

Use of this Tool is entirely voluntary. Firms are free to choose whether to adopt it based on their own operational needs, risk appetite, and privacy considerations. However, all solicitors must understand that regardless of whether they use this Tool or not, they remain fully responsible for establishing and maintaining robust client due diligence (CDD) measures as required under the AMLO, UNSO, UNATMO, Legal Practitioners Ordinance (LPO), and related Practice Directions. The AI-generated due diligence report and screening functions provided by this Tool are only **one component** of a comprehensive CDD workflow; they do not constitute the entirety of your obligations.

Firms that choose not to use this Tool must implement their own alternative solutions to demonstrate compliance with sanctions screening, PEP checks, and adverse media monitoring requirements. Simply opting out of this Tool does not exempt a firm from these regulatory obligations. The Law Society expects all practitioners to exercise their professional judgment and legal expertise in designing and implementing CDD processes that are appropriate to their practice. As legal professionals, solicitors are expected to conduct their own analysis of the legal and regulatory framework applicable to their AML compliance arrangements. This disclaimer provides information to assist your decision-making but does not substitute for independent professional assessment of your firm's specific obligations and risk profile.

2. Scope and Limitations

2.1 Not a Complete Risk Assessment

While this Report provides a comprehensive overview of publicly available data, it does **not** constitute a complete analysis of a client's overall ML/TF/PF risk. Users must still consider other critical risk factors (e.g., nature of business, source of funds, transaction patterns, face-to-face interactions) that are outside the scope of public internet searches.

2.2 Supplementary Tool Only

The Report is a tool to **assist, not replace**, professional judgment or your firm's full client due diligence process. Users must exercise independent professional discretion when interpreting results and making compliance decisions.

2.3 AI-Generated Content Limitations

This Tool incorporates AI features powered by large language models. AI outputs are **supportive aids only** and may contain inaccuracies, omissions, or hallucinations inherent to such models. **Always conduct independent verification** by reviewing the primary sources documented in **Section I: Source Appendix** (including URLs and access dates) of the Due Diligence Report. Document all verification steps in your firm's compliance records.

3. Data Protection and Privacy Compliance

3.1 Overview: Your Responsibilities Under PDPO

Use of the AI function involves transmitting personal data to external AI platforms (Grok, Perplexity, Microsoft Copilot) that process data on infrastructure located outside Hong Kong. This engages obligations under the **Personal Data (Privacy) Ordinance (Cap. 486)**, including:

- **Data Protection Principle 1 (DPP1):** Fair collection and notification
- **Data Protection Principle 3 (DPP3):** Purpose limitation and use
- **Data Protection Principle 4 (DPP4):** Data security
- Cross-border data transfer considerations

Your firm remains the "data user" under PDPO and is solely responsible for compliance with all data protection requirements, regardless of the platforms used.

3.2 Mandatory: Client Notification (PICS)

Before using this Tool, you must provide clients with a comprehensive **Personal Information Collection Statement (PICS)** in accordance with DPP1 of the PDPO. The PICS must explicitly disclose:

1. Use of AI platforms for AML screening purposes
2. Transmission of personal data to third-party AI providers
3. Cross-border processing (data processed outside Hong Kong)
4. Client rights under PDPO (access, correction)

Recommended PICS Wording:

"Your personal data will be collected and processed for anti-money laundering, counter-terrorist financing, and sanctions screening purposes as required under Hong Kong law (AMLO, UNSO, UNATMO). To conduct accurate screening and reduce false positive matches, we may submit limited identifiers (name, date of birth, gender, nationality) to third-party AI platforms (Grok, Perplexity, and/or Microsoft Copilot) that process data outside Hong Kong.

These minimal identifiers are necessary to distinguish you from individuals with similar names on sanctions and PEP lists and to comply with our regulatory obligations. Queries are transmitted via encrypted connections. AI platforms are configured with training opt-outs to prevent use of your data for model training purposes, though data may be retained temporarily by providers (typically 30 days to 6 months) for service delivery.

You have rights to access and correct your data under the Personal Data (Privacy) Ordinance. For enquiries, contact [your firm's privacy officer/DPO contact]."

Firms should tailor this wording to their specific engagement letters or CDD intake forms.

3.2A. Use of AI vs Ordinary Internet Search

When this Tool uses AI services to search for sanctions, PEP, or adverse media information, the process is similar to using an ordinary internet search engine such as Google. The client's name and limited identifiers are sent to external servers, which may be located outside Hong Kong, and may be logged or retained for a period of time for service operation and security purposes.

To enhance protection beyond normal search use, we restrict inputs to essential identifiers only (name, date of birth, gender and, where relevant, nationality) and avoid sending identification numbers, addresses or detailed case information. Where the AI service allows, we also configure settings to opt out of using client data for model training and to limit retention periods, so that only the minimum necessary data is processed to support AML/CTF/CPF screening.

3.3 Data Minimization: Essential Identifiers Only

To comply with PDPO data minimization principles while ensuring effective AML screening:

✓ **Include (Essential):**

- Full name (including known aliases)
- Date of birth
- Gender

✓ **Include if Available and Relevant:**

- Nationality
- Country of residence

✗ **Never Include:**

- HKID numbers or passport numbers
- Full residential addresses
- Financial account details
- Confidential legal matter details

This approach provides data genuinely necessary for accurate sanctions and PEP screening under FATF standards while minimizing privacy risks.

3.4 AI Platform Privacy Configuration

Firms must maintain proper privacy configurations on all AI platforms:

Required Actions:

1. **Enable training opt-outs** on:
 - Grok (via profile icon → Settings at grok.com)
 - Perplexity (via profile icon → Settings → AI Data Retention toggle)
 - Microsoft Copilot (via Settings → Privacy → Model Training)
2. **Document configurations** with dated screenshots for audit purposes
3. **Conduct quarterly reviews** to ensure settings remain active (providers may update policies or reset preferences)

Refer to **Section 7.2** of the User Guide for detailed step-by-step instructions.

3.5 Cross-Border Data Transfer and PDPO Exemptions

The Issue:

AI platforms process data on servers outside Hong Kong, constituting cross-border transfers under Section 33 of the PDPO. The Privacy Commissioner expects data users to ensure adequate protections when data is processed outside Hong Kong.

Potential Legal Bases for Processing:

Your use of this Tool for AML/CTF purposes may fall within statutory exemptions under Part VIII of the PDPO, particularly:

Section 58 (Crime Prevention):

Processing personal data for preventing or detecting money laundering, terrorist financing, or sanctions evasion—all criminal offences under Hong Kong law—may qualify as crime prevention justifying the use and cross-border transfer.

Section 60B (Legal Proceedings / Legal Rights):

Processing may be necessary for:

- Compliance with legal obligations (UNSO, UNATMO, AMLO, Practice Direction P)
- Establishing, exercising, or defending legal rights (including deciding whether to accept/continue a retainer)

Important Limitations:

- These exemptions are **defences**, not automatic permissions
- **You bear the burden of proof** to demonstrate an exemption applies to your specific circumstances
- Exemptions should **not be relied upon routinely**; assess case-by-case
- **Document your compliance rationale** in your firm's AML records

3.6 Risk-Mitigating Strategies

To minimize data protection risks while maintaining AML effectiveness:

✓ **Use pseudonymized data for exploratory queries** where practical (e.g., "Client A, Chinese national, born 1980s") before inputting full identifiers

✓ **Two-stage screening:** Use AI for preliminary risk assessment with minimal identifiers; conduct detailed verification using local Hong Kong resources.

✓ **Consider client consent** where exemptions may not clearly apply or for particularly sensitive matters

✓ **For particularly high-risk or sensitive matters** (e.g., high-value transactions, high-profile clients, or matters involving heightened confidentiality concerns), consider whether manual screening using subscription databases or local Hong Kong resources may be more appropriate than AI-assisted searches.

3.7 Restricted Use: AML/CTF Purposes Only

The AI function must be used **strictly for AML/CTF/CPF compliance purposes**, including:

- Initial sanctions screening during client intake
- Periodic client reviews
- Enhanced due diligence for high-risk clients
- Suspicious transaction analysis supporting STR/SAR reporting

Any deviation—including use for general legal research, marketing, business development, or non-regulatory activities—may violate DPP3 (purpose limitation) and expose your firm to regulatory liability.

4. Data Accuracy and Liability

4.1 Current as of Generation Date

The Report is compiled from publicly available information using AI-driven search tools and is current only as of the **date of generation**. Report accuracy depends on:

- Availability and quality of online public data
- Accuracy of user-provided input data
- AI platform search effectiveness

There is no guarantee the AI will retrieve all relevant information available on the internet.

4.2 Verification Required

Users must **independently verify all findings**—including sanctions matches, PEP identifications, and adverse media—before making compliance decisions. Cross-check cited sources in Section I: Source Appendix by:

- Clicking through to original URLs
- Confirming information accuracy
- Checking for updated information

4.3 No Legal Advice

This Report does **not constitute legal advice**. Findings are not guaranteed to be complete, accurate, or up-to-date beyond the data available at the time of generation.

4.4 Limitation of Liability

The Law Society of Hong Kong provides this Tool on an "**as-is**" basis without warranties of any kind, including accuracy, completeness, or fitness for AML/CTF purposes. The Law Society is not liable for any actions taken, decisions made, or consequences arising from reliance on this Report. Users assume all risk and full liability for PDPO compliance, data security, and any consequences arising from use of the Tool and Report.

4.5 Recordkeeping

Retain all Reports and source documentation for regulatory audits in accordance with AMLO recordkeeping requirements (minimum 5 years).

5. Professional Responsibility

Each firm and practitioner remains solely responsible for:

- Compliance with PDPO, AMLO, UNSO, UNATMO, and Practice Direction P
- Client confidentiality and legal professional privilege
- Professional conduct obligations under the Law Society's rules and guidelines
- Exercising independent professional judgment in all compliance decisions

The Law Society does not provide legal advice on data protection or AML compliance for individual matters. Firms should seek independent legal advice where necessary.

For data protection guidance, consult the Privacy Commissioner for Personal Data (PCPD) resources on AI in regulated sectors: www.pcpd.org.hk

Compliance with the Personal Data (Privacy) Ordinance (PDPO, Cap. 486) and relevant regulatory requirements remains the sole responsibility of the individual firm or practitioner. For further guidance, consult a qualified data protection specialist or refer to PCPD resources on AI in regulated sectors.

7.1 Overview

The AI-Gen Due Diligence Report feature of the Client Name Screening Tool in **Column I of the Search tab** assists legal professionals in meeting Anti-Money Laundering/ Counter Terrorist Financing/ Counter Proliferation Financing (“AML/CTF/CPF”) compliance obligations. By automating searches for sanctions, politically exposed persons (PEPs), and adverse media, the Tool generates a comprehensive, regulator-ready report in user-friendly format, ensuring thorough documentation for compliance purposes.

To maximize the Tool’s capabilities, we recommend registering for a free account on your preferred platform (e.g., copilot.microsoft.com, grok.com, or perplexity.ai). Registered accounts typically offer improved access to advanced AI models and deeper search functionalities. Please be aware that while these services are free, they are subject to daily usage limits.

While the Tool supports multiple platforms, our internal testing indicates that Grok delivers the most consistent and comprehensive analysis for due diligence purposes with the use of “Expert” model. Therefore, we recommend prioritising Grok when available.

7.2 How to turn off the training function for better data protection

By default, most consumer AI platforms (Grok, Perplexity, Microsoft Copilot) use your conversation data to train and improve their models. When conducting client due diligence, **you must disable this training function** to protect client confidentiality and comply with professional obligations under the Personal Data (Privacy) Ordinance (Cap. 486) and Practice Direction P.

Training Policy Summary

Platform	Default Behavior	Can Disable Training?
Grok (grok.com)	Trains on data by default	✅ Yes - toggle off in Settings
Perplexity (Free/Pro)	Trains on data by default	✅ Yes - toggle off in Preferences

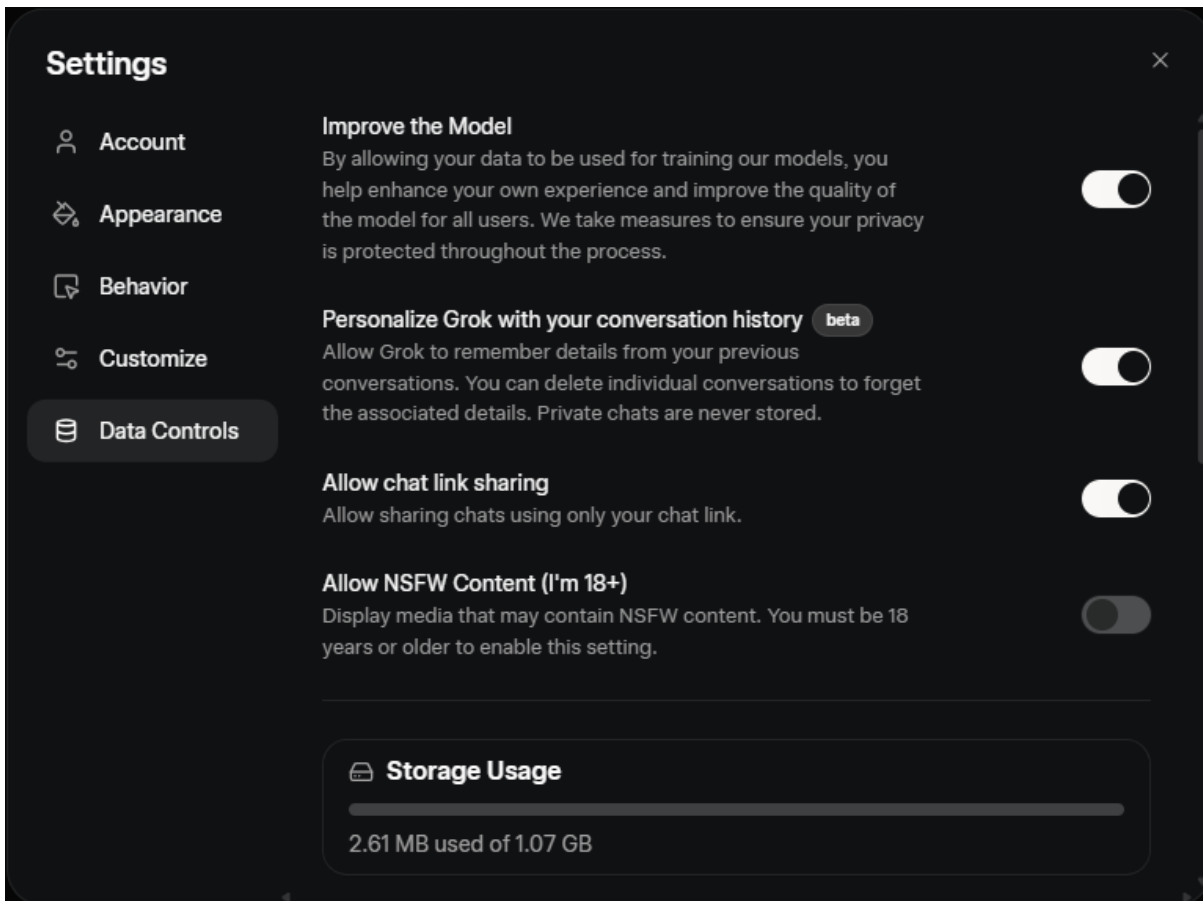
Platform	Default Behavior	Can Disable Training?
Microsoft Copilot (Consumer)	May train on interaction data	<input checked="" type="checkbox"/> Yes - opt out in Privacy settings

Step-by-Step Instructions

Option 1: Grok (grok.com)

1. Go to **grok.com** and log in
2. Click your **profile icon** (top right corner)
3. Select **Settings**
4. Find **"Data Control"** and **"Improve the Model"**
5. **Toggle OFF** this option
6. Confirm changes

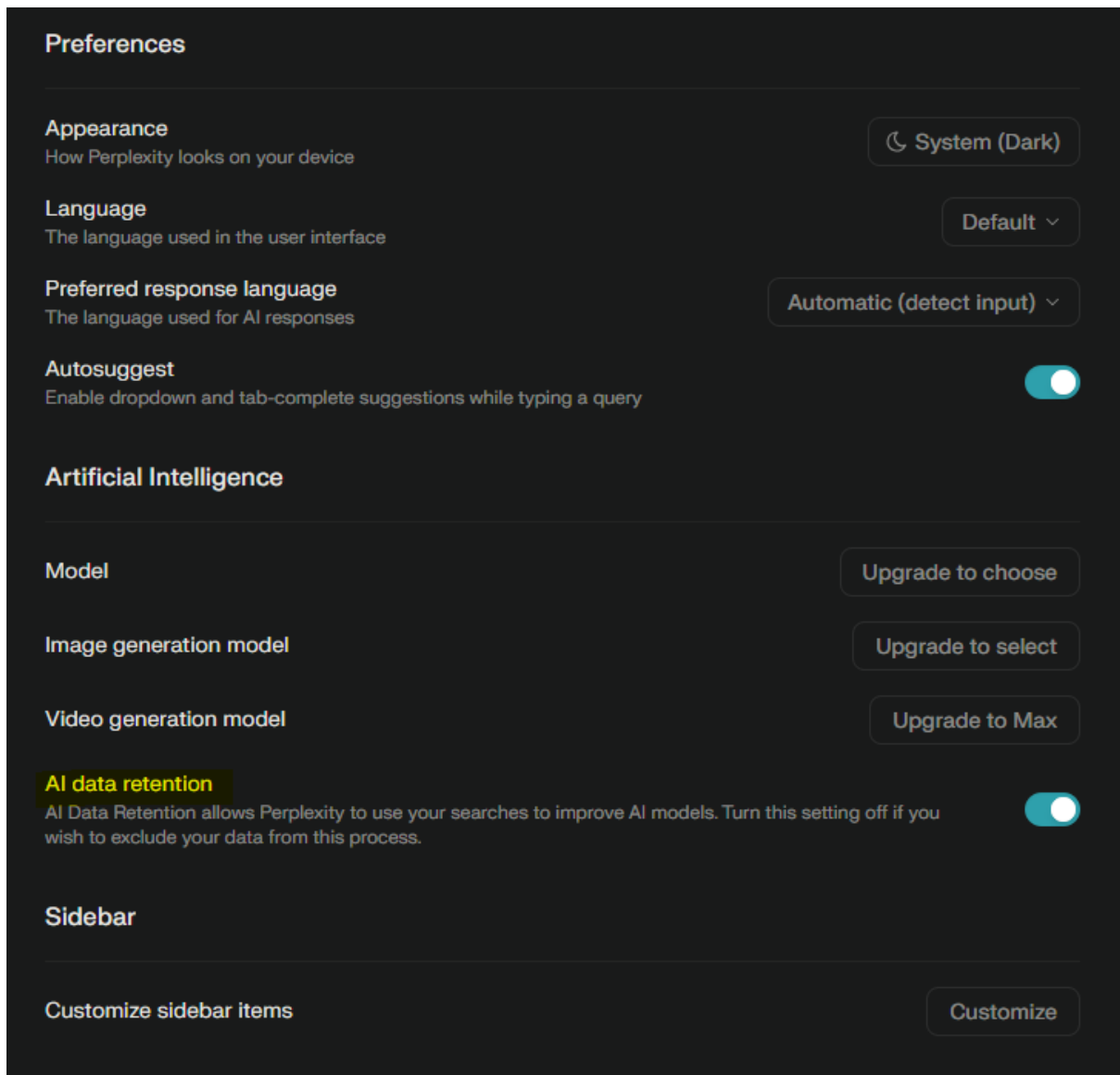
Screenshot:



Option 2: Perplexity

1. Go to **perplexity.ai** and log in
2. Click your **profile icon** (top right corner)
3. Select **Settings** → **AI Settings** (or **Preferences**)
4. Find "**AI Data Retention**"
5. **Toggle OFF** this option
6. Confirm changes

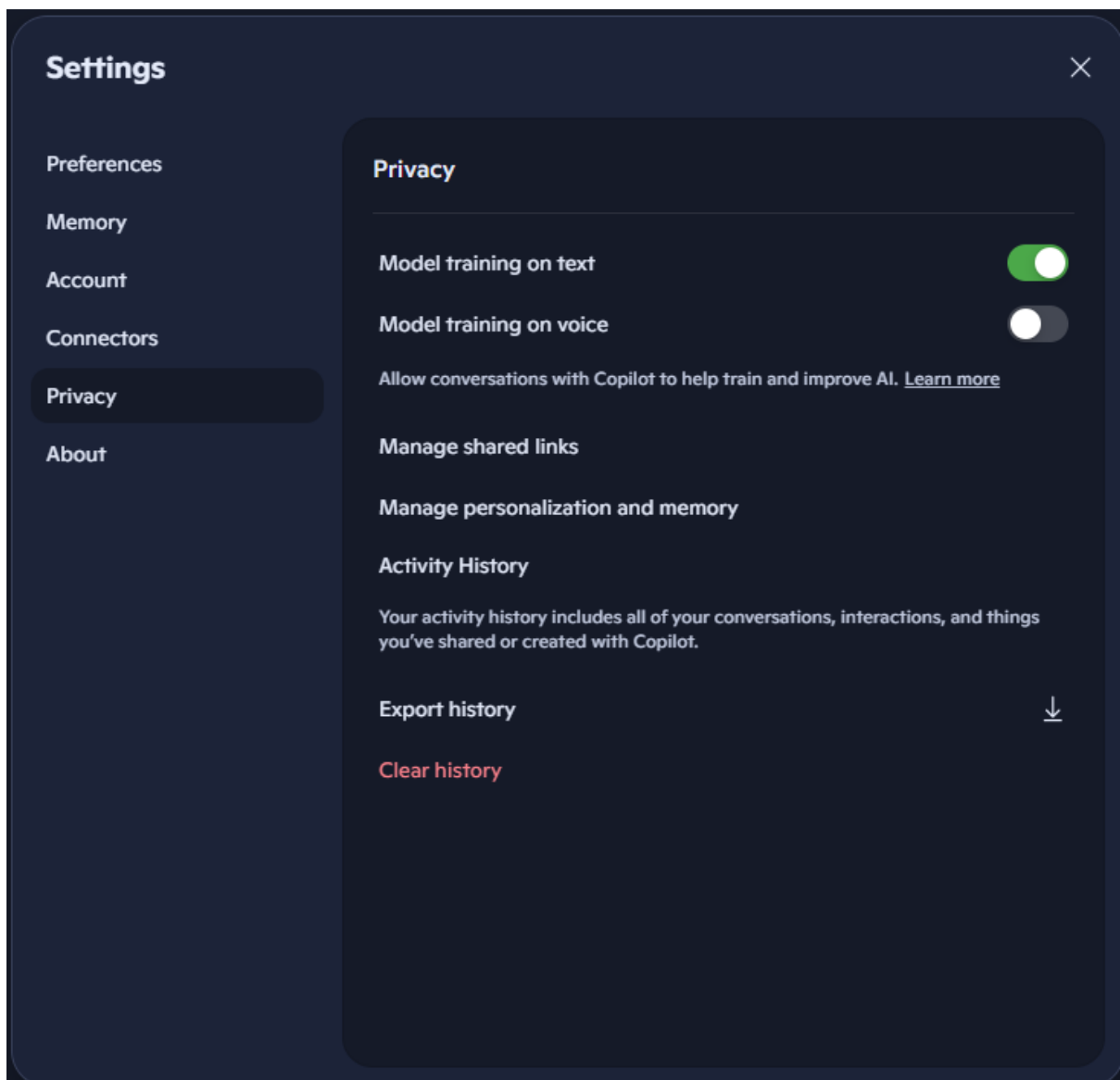
Screenshot:



Option 3: Microsoft Copilot (Consumer)

1. Log into your Microsoft account on copilot.microsoft.com
2. Go to **Settings** → **Account** → **Privacy**
3. Find "**Model Training**" or "**Optional diagnostic data**"
4. **Disable** the option to share data for training
5. Save preferences

Screenshot:



⚠ Important Notes

- **Opt-out is per account:** You must disable training for EACH account you use across different platforms
- **Settings may reset:** Check your privacy settings periodically, especially after platform updates
- **No retroactive protection:** Disabling training only prevents FUTURE data from being used; previous conversations may already be in training datasets
- **For maximum protection:** Consider using API access (if available) which typically has stronger data protection guarantees

7.3 How to Generate a Report

Step 1: Access the Report Request Form

In the **Search** tab, double-click **Column I** (corresponding to the client row) to open the AI Due Diligence Report request form.

Step 2: Enhance Input Data (Optional but Recommended)

Within the form, you may update or add information in the following fields to produce a more thorough report:

- **Chinese Name:** Particularly important for clients from Greater China
- **Alias/Other Known Names:** Include any known alternative names
- **Additional Information:** Context about the client's business, transaction purpose, or specific risk concerns (e.g., "Client operates in shipping sector with APAC coal trading")

Step 3: Select AI Platform

Choose your preferred platform (Grok, Copilot, or Perplexity) from the available options.

Step 4: Generate and Retrieve Report

The Tool will automatically generate a prompt and copy it to your clipboard. Paste the prompt into your selected AI platform to generate the report. (Detailed instructions are provided in Section 7.6 below.)

Client Full Name	Chinese Name	ID Document Number	Gender	Nationality/ Place of Incorporation / Entity Jurisdiction	Date of Birth/ Date of Incorporation (dd-mm-yyyy)	Entity Name	Additional Information for AI Report	AI Due Diligence Report
				Hong Kong	1/8/2023	Yat Tung Energy Limited		Double Click to Generate
				Hong Kong	1/8/2023	Pan Pacific Trading Limited		Double Click to Generate
Tai Man Chan			Male	Hong Kong	13/6/1988			Double Click to Generate
Simon Chan			Male	Hong Kong	14/6/1988			Double Click to Generate
Janis Tin Tan Cheung			Female	Hong Kong	13/6/1988			Double Click to Generate
Sally Anna Jolie			Female	Argentina	13/6/1977			Double Click to Generate
Janis Cheung			Female	Hong Kong	13/6/1988			Double Click to Generate
Tin Tan Cheung			Female	Hong Kong	13/6/1988			Double Click to Generate
Sally Anne Jones			Male	USA				Double Click to Generate

AI Due Diligence Report

Client Name / Entity Name <input type="text" value="Full Name: Tai Man Chan"/>	Alias / Other Known Names <input type="text"/>	ID Document Number <input type="text"/>
Chinese Name <input type="text"/>	Client Type <input type="text" value="Individual"/>	Nationality / Place of Incorporation / Entity Jurisdiction <input type="text" value="Hong Kong"/>
Additional Information <input type="text"/>	Gender <input type="text" value="Male"/>	Date of Birth/ Date of Incorporation <input type="text" value="13/6/1988"/>

7.4 What the Report Contains

7.4.1 Key Search Areas

The report aggregates data across **five key risk categories**:

1. **PEP & Close Associates:** Identification of Politically Exposed Persons and their networks

2. **Sanctions Verification:** Checks against major international sanctions lists
3. **Adverse Media:** Screening for negative news related to financial crimes
4. **Terrorist Financing (TF) Risk:** Analysis based on jurisdiction and high-risk indicators
5. **Proliferation Financing (PF) Risk:** Assessment of potential PF exposure

7.4.2 Methodology and Features

Bilingual Intelligence:

- Conducts searches in English and Chinese
- Distinguishes between Traditional Chinese (HK/Taiwan/Macau) and Simplified Chinese (Mainland China)
- Applies jurisdiction-specific search criteria

Source Corroboration:

- Cross-references findings with at least 2–3 credible sources
- Prioritizes official government websites, court records, and reputable news outlets

Output Format:

- Generated in Markdown format for easy pasting word documents
- Includes search timestamps for audit trail purposes
- **Source Corroboration:** Findings are cross-referenced with at least 2–3 credible sources to ensure reliability.
- **Output Format:** The report is generated in Markdown for easy conversion to PDF and includes search timestamps.

7.5 Report Structure: Section-by-Section Breakdown

The AI-Generated Due Diligence Report is structured into nine key sections:

Section A: Client Information and Report Metadata

Content:

- Legal names (English and Chinese)
 - Aliases and other known names
 - Gender
 - Date of birth / Date of incorporation
 - Nationality / Jurisdiction of incorporation
 - Relationship type (Individual, Corporation, Trust, Partnership, Charity, Foundation, Other)
 - Additional TF/PF context (if provided)
 - **Report generation timestamp** (for audit purposes)
-

Section B: Executive Summary

Content:

- High-level synthesis of all findings
- Key risk highlights from PEP, sanctions, adverse media, TF, and PF checks
- Flags for corroborated high-risk elements (e.g., foreign PEP status, direct sanctions matches)

Purpose: Provides a quick overview for decision-makers to assess whether enhanced due diligence is required.

Section C: PEP & Close Associate Analysis

Search Scope:

The Tool applies jurisdiction-specific criteria:

Jurisdiction	Screening Focus
Hong Kong	Senior government officials, statutory leaders, political roles (e.g., Chief Executive, LegCo members)
Mainland China	High-level roles in major government and party bodies (e.g., NPC Standing Committee, CPPCC, CPC Central Committee)
Macau & Taiwan	Senior administrative, legislative, judicial, and military roles
International	FATF standards and global leadership registries (such as CIA World Leaders Online Directory)

Methodology:

- **Network Mapping:** Identifies family members (spouses, children, parents, siblings) and close business associates
- **Source Verification:** Cross-references official government websites (e.g., gov.hk, legco.gov.hk), reputable news outlets (e.g., SCMP, BBC)
- **Historical Analysis:** Assesses current and past positions to determine de-risking applicability

Report Output:

- **No PEP Status:** Clear confirmation if no connections identified
- **Detailed Findings:** If PEP connections exist:
 - Connection mapping table (Name, Relationship, PEP Status, Evidence)
 - Citations and timestamps
 - Preliminary risk classification (Medium for domestic HK PEPs; High for foreign PEPs)

Section D: Sanctions Verification Results

Search Scope:

- UN Security Council Consolidated List
- U.S. OFAC SDN and Non-SDN Lists
- EU Consolidated Financial Sanctions List
- The UK Sanctions List
- China Ministry of Foreign Affairs (MOFA) Sanctions

Data Used: Client names (English/Chinese), aliases, DOB, nationality, ID document

Output:

- **"No matches found"** or
- **Detailed match information:** Name, list source, reason for designation, match confidence
- Corroborated with at least two independent sources

Risk Contribution: Direct matches elevate overall risk to **High**.

Section E: Adverse Media Findings

Search Scope:

- 10+ year historical scan for financial crimes (money laundering, corruption, bribery, fraud, embezzlement)
- Court records and regulatory notices (e.g., China Judgments Online, Hong Kong Judiciary, PACER)

Sources:

- At least two credible, independent outlets (e.g., BBC, Reuters, Wall Street Journal, People's Daily, Xinhua)
- Bilingual searches for Chinese-speaking clients
- Social media (e.g., X/Twitter) only if corroborated by traditional media

Output:

- **"No material adverse media found"** or
- **Findings grid:**
 - **Source:** Publication name and URL
 - **Veracity:** Verified (court/multiple reports), Credible (single reputable source), Rumour (unsubstantiated)
 - **Materiality:** High (conviction), Medium (allegations), Low (unrelated/outdated)
 - **Summary of Allegation**

Risk Contribution: High-materiality findings elevate overall risk to **High**.

Section F: Terrorist Financing (TF) Risk Analysis

Search Scope:

- Links to terrorist entities or designated groups
- High-risk funding channels (e.g., cash-intensive businesses, informal value transfer systems)

- TF-prone regions (per FATF high-risk jurisdictions)
- Incorporating additional data if provided (e.g., transaction patterns, geographic exposure).
- Cross-verified with UN, OFAC, and open-source intelligence

Output:

- **Risk Rating:** Low (no links), Medium (indirect exposure), High (direct links)
- **Evidence:** References from FATF mutual evaluations, UN reports

Risk Contribution: High ratings elevate overall risk.

Section G: Proliferation Financing (PF) Risk Analysis

Search Scope:

- Involvement in proliferation networks (e.g., North Korea WMD programs)
- Trade in dual-use goods (items with civilian and military applications)
- Cross-verified with UN and open sources

Output:

- **Risk Rating:** Low (no links), Medium (indirect exposure), High (direct involvement)
- **Evidence:** References FATF high-risk area lists and UN Panel of Experts reports

Risk Contribution: High ratings elevate overall risk.

Section H: Overall Risk Rating and Narrative

Content:

- **Final qualitative rating:** Low, Medium, or High
- **Rationale:** Synthesizes findings from PEP, sanctions, adverse media, TF, and PF analyses
- **Narrative explanation:** Contextualizes the rating without providing specific due diligence recommendations

Note: The report does not prescribe whether to proceed with the client relationship or what level of ongoing monitoring is required. These decisions remain the professional responsibility of the user.

Section I: Source Appendix

Content:

- Complete list of all sources consulted (URLs, databases, government registries)
 - Access dates and timestamps for each source
 - **Purpose:** Provides full transparency and supports regulatory audits
-

7.6 Using the Terrorist Financing and Proliferation Financing Risk Assessment

For accurate TF (e.g., terrorist links, high-risk regions like Syria) and PF (e.g., proliferation networks, dual-use goods) analysis, provide targeted details in Column G (Additional Information). Examples:

For more accurate and targeted **TF (Terrorist Financing)** and **PF (Proliferation Financing)** analysis, it is strongly recommended to provide specific contextual details in **Column G (Additional Information)** when requesting the AI report.

Why This Matters:

The AI relies on the information you provide to conduct focused searches. Without specific input, the AI defaults to general risk indicators from FATF evaluations, which may not capture the unique risk profile of your client. Providing targeted details significantly improves the precision and relevance of Sections F (TF Risk) and G (PF Risk) in the report.

What Information Should You Provide?

Include any of the following details that are relevant to the client or transaction:

1. Transaction Patterns:

- Example: *"Frequent cash transfers to North Korea"*
- Example: *"Large wire transfers to shell companies in high-risk jurisdictions"*
- Example: *"Use of informal value transfer systems (hawala)"*

2. Business Nature/Sector:

- Example: *"Legal services for offshore trusts in high-risk areas"*
- Example: *"Import/export of dual-use goods (chemicals, electronics)"*
- Example: *"Cash-intensive business (money exchange, jewellery trading)"*

3. Funding Sources/Beneficiaries:

- Example: *"Links to sanctioned entities or anonymous Middle East donors"*
- Example: *"Funding received from charities with unclear governance"*
- Example: *"Beneficial owners located in FATF-listed jurisdictions"*

4. Geographic Exposure:

- Example: *"Operations in FATF-listed high-risk jurisdictions (Iran, North Korea, Syria)"*
- Example: *"Frequent business travel to conflict zones"*
- Example: *"Subsidiaries registered in jurisdictions with weak AML controls"*

5. Entity Structure:

- Example: *"Complex partnerships obscuring ultimate beneficial ownership"*
- Example: *"Use of nominee directors and bearer shares"*
- Example: *"Multiple layers of offshore holding companies"*

How to Input This Information:

When generating the report:

1. In the **Search** tab, double-click **Column G (Additional Information)** for the relevant client row.
2. Enter the contextual details described above.
3. Proceed to generate the report by double-clicking **Column I** (or Columns H/J, depending on your Tool version).

The AI will incorporate this information into **Section F (TF Risk Analysis)** and **Section G (PF Risk Analysis)** of the report, providing a more tailored and actionable assessment.

What Happens If You Don't Provide Additional Information?

If Column G is left blank, the AI will:

- Rely on general FATF high-risk indicators (e.g., jurisdiction-based risk)
- Provide baseline analysis without transaction-specific context
- May miss nuanced risks specific to your client's situation

Best Practice: Always provide as much relevant context as possible to maximize the quality and usefulness of the TF/PF risk assessment.

7.7 Generating and Exporting the AI Due Diligence Report

This section provides step-by-step instructions for generating the AI-enhanced report and saving it in a format suitable for record-keeping and compliance purposes.

7.7.1 Process: Generating the Report

Once the client details have been entered in the **Search** tab, follow these steps to generate the AI Due Diligence Report:

Step 1: Initiate Request

- Double-click the designated cell in **Column I** (corresponding to the client row) to launch the AI platform selection form.

Client Full Name	Chinese Name	ID Document Number	Gender	Nationality/Place of Incorporation / Entity Jurisdiction	Date of Birth/Incorporation (dd-mm-yyyy)	Entity Name	Additional Information for AI Report	AI Due Diligence Report
				Hong Kong	1/8/2023	Yat Tung Energy Limited		Double Click to Generate
Tai Man Chan			Male	Hong Kong	13/6/1988	Pan Pacific Trading Limited		Double Click to Generate
Simon Chan			Male	Hong Kong	14/6/1988			Double Click to Generate
Janis Tin Tan Cheung			Female	Hong Kong	13/6/1988			Double Click to Generate
Sally Anna Jolie			Female	Argentina	13/6/1977			Double Click to Generate
Janis Cheung			Female	Hong Kong	13/6/1988			Double Click to Generate
Tin Tan Cheung			Female	Hong Kong	13/6/1988			Double Click to Generate
Sally Anne Jones			Male	USA				Double Click to Generate

Step 2: Select Platform

- Choose your preferred AI service from the available options:
 - **Grok** (recommended)
 - **Perplexity**
 - **Microsoft Copilot**

AI Due Diligence Report

Client Name / Entity Name Full Name: Tai Man Chan	Alias / Other Known Names	ID Document Number
Chinese Name	Client Type Individual	Nationality / Place of Incorporation / Entity Jurisdiction Hong Kong
Additional Information		Gender Male
		Date of Birth / Date of Incorporation 13/6/1988

Grok **Perplexity** **Copilot**

Step 3: Automatic Redirect and Prompt Copy

- Your default web browser will automatically open the selected AI platform.
- Simultaneously, a pre-written prompt containing the client's details will be copied to your system's clipboard.

Step 4: Generate Report

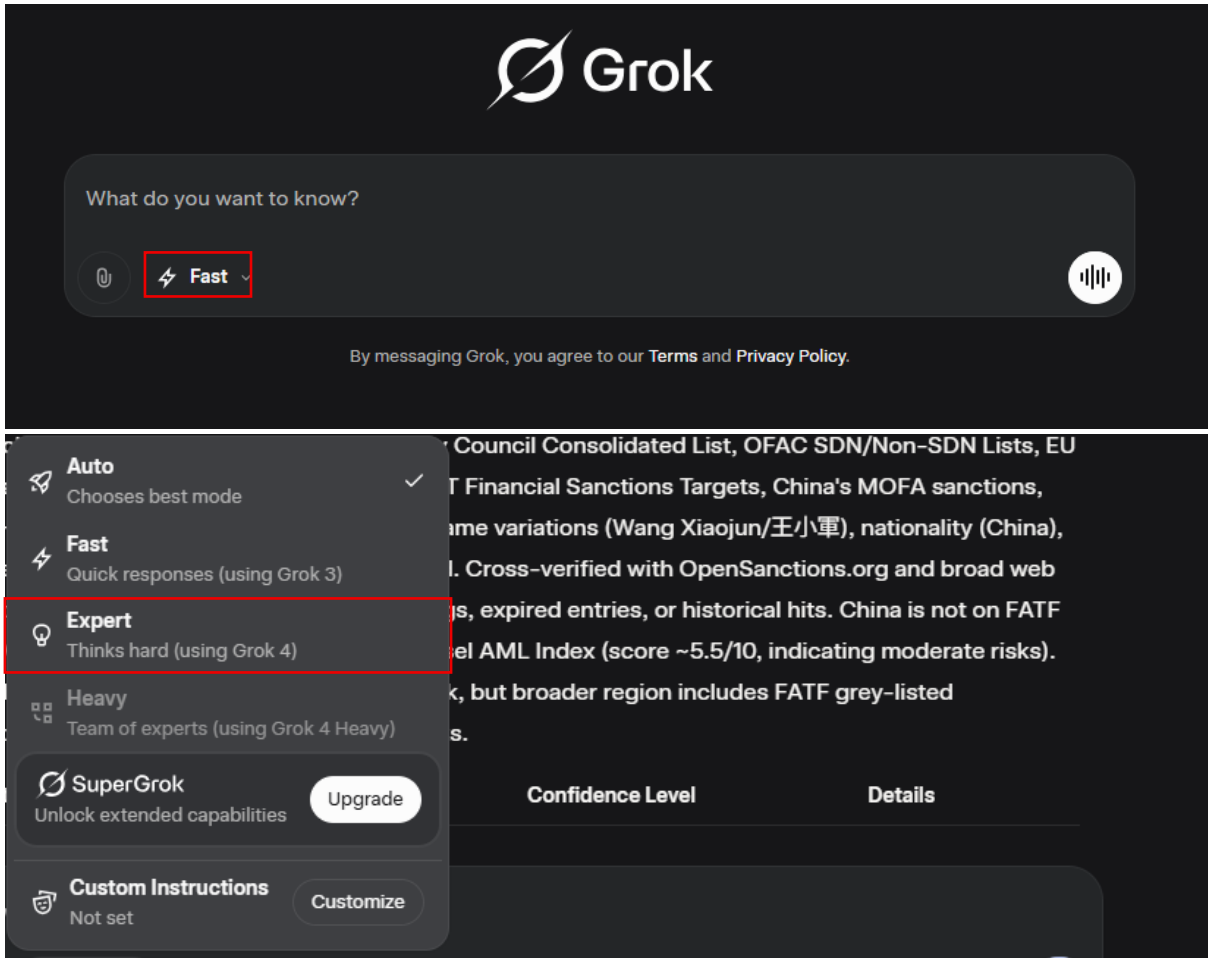
- Click into the AI chatbox interface.
- Paste the prompt using **Ctrl+V** (Windows) or **Cmd+V** (Mac), or **Right-click > Paste**.
- Press **Enter** to begin the analysis.

7.7.2 Optimizing AI Search Settings

To ensure the most comprehensive and accurate due diligence results, please configure your AI platform settings as follows:

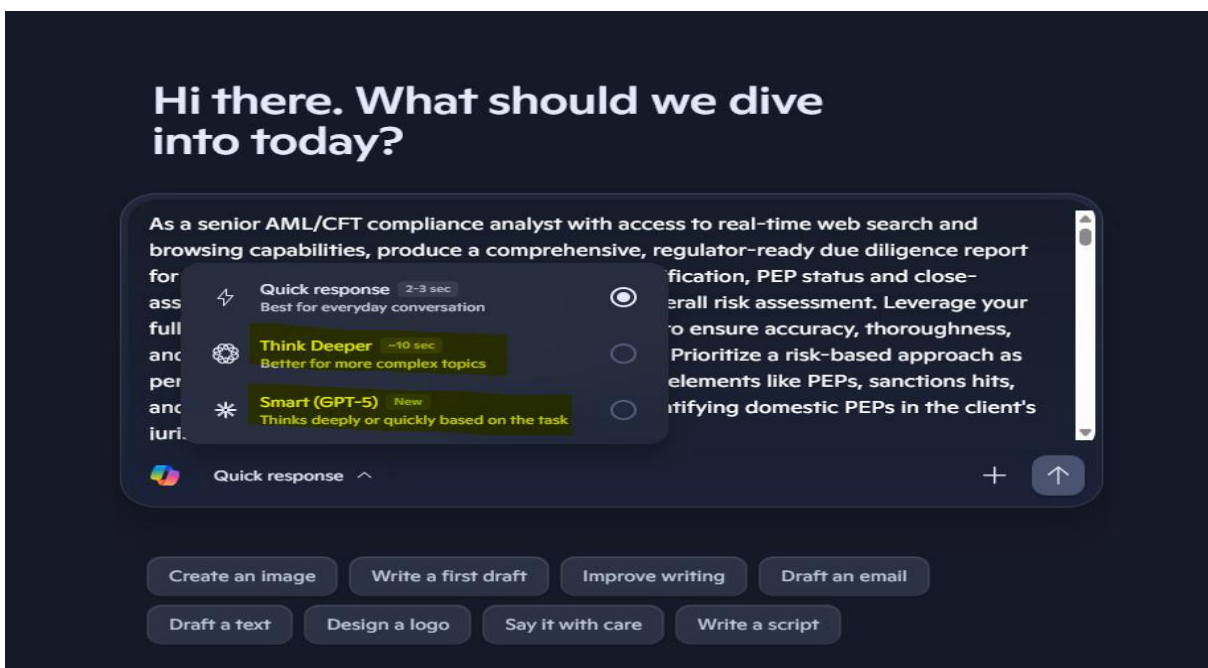
For Grok Users (Recommended Platform):

- If using a **free Grok account**, select "**Expert**" mode before pasting your prompt.
- **Expert mode** ensures deeper analysis and more comprehensive search results.



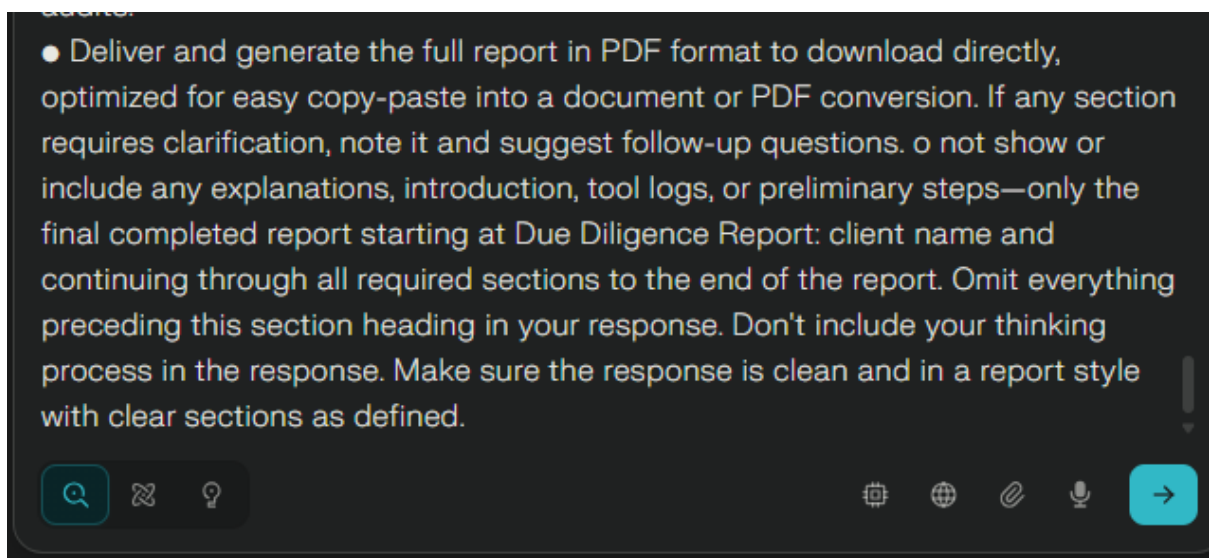
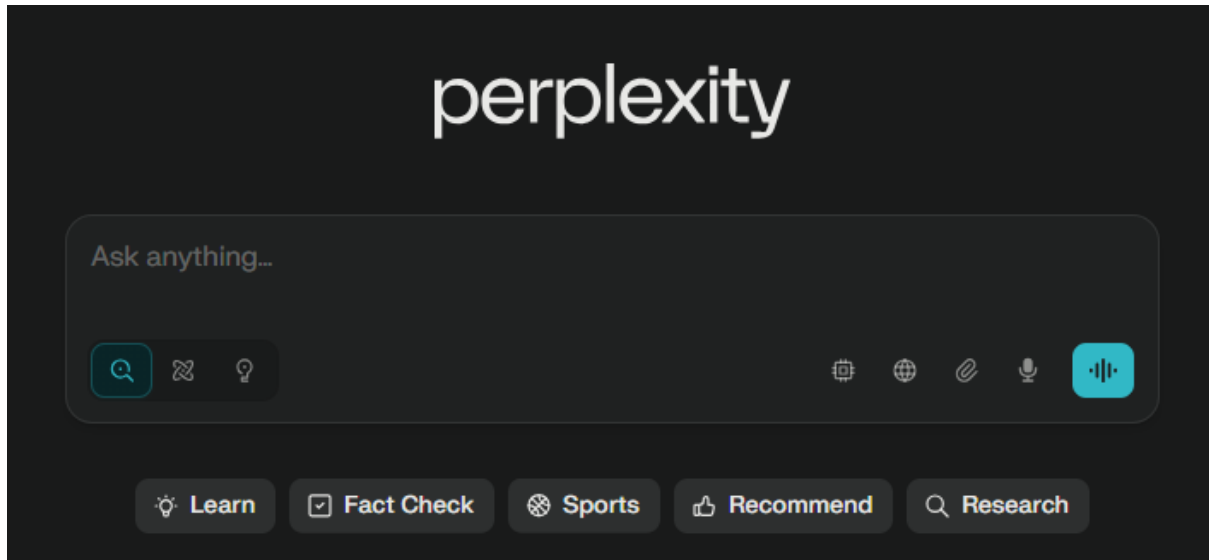
For Microsoft Copilot Users:

- Enable "Think Deeper" mode to enhance reasoning capabilities and search depth.
- This mode is particularly useful for complex queries involving multiple risk factors.



For Perplexity Users:

- **No specific mode selection is required** for free accounts.
- The standard search function is sufficient for generating the report.



7.7.3 Retrieving and Saving the Report

Once the AI has completed the analysis and generated the report, follow these steps to save it for record-keeping purposes:

Option 1: Save to Microsoft Word (Recommended for Editing)

Step 1: Select the Report

- Once the report is fully generated in the AI chatbox, **highlight and select the entire text** of the report.

- Manually drag to select from the beginning to the end of the report.

Due Diligence Report: 畢寶文

A. Client Information and Report Date & Time

- Client Legal Name (English): None
- Client Legal Name (Chinese): 畢寶文
- Aliases: 畢寶文
- Gender: Male
- Date of Birth/Incorporation: July 1960
- Nationality/Jurisdiction: China (Mainland)
- Relationship Type: Individual
- ID Document Number: None
- Additional TF/PF Data: None provided
- Report Date & Time: December 23, 2025, 11:42 AM

B. Executive Summary

The subject, 畢寶文 (Bi Baowen), is a retired senior Chinese official who served as Vice Governor of Heilongjiang Province and head of its Public Security Department until 2020. He qualifies as a former foreign PEP due to his prominent public functions in government and law enforcement. No close associates with PEP status were identified. Sanctions verification yielded no matches across key lists. Adverse media screening revealed an ongoing corruption investigation announced on November 20, 2025, indicating high materiality risks related to serious violations of discipline and law. No direct links to terrorist financing or proliferation financing were found, though general jurisdictional risks apply to China as per FATF indicators. Overall, the subject presents elevated risks due to PEP status and adverse

Step 2: Copy the Report

- Press **Ctrl+C** (or **Cmd+C** on Mac) to copy the selected text.

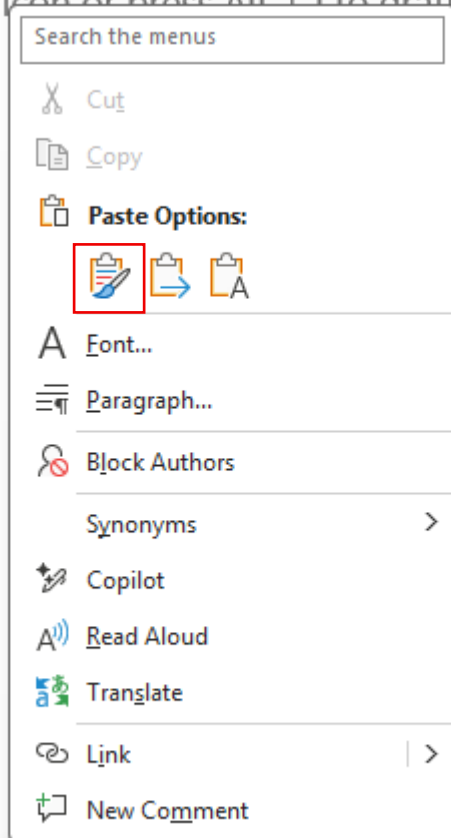
Step 3: Open Microsoft Word

- Launch Microsoft Word and create a **new blank document**.

Step 4: Paste with Source Formatting


- Right-click within the Word document.
- Select the **"Keep Source Formatting"** paste option (look for the icon with a paintbrush or clipboard with formatting).
- This preserves the report's structure, headings, tables, and layout for better readability.

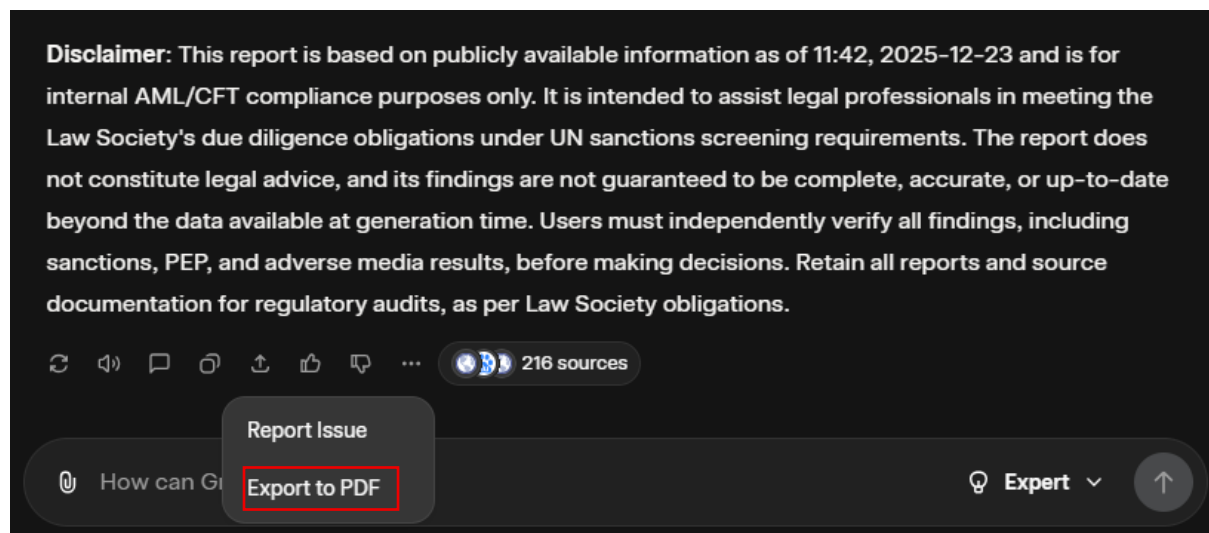
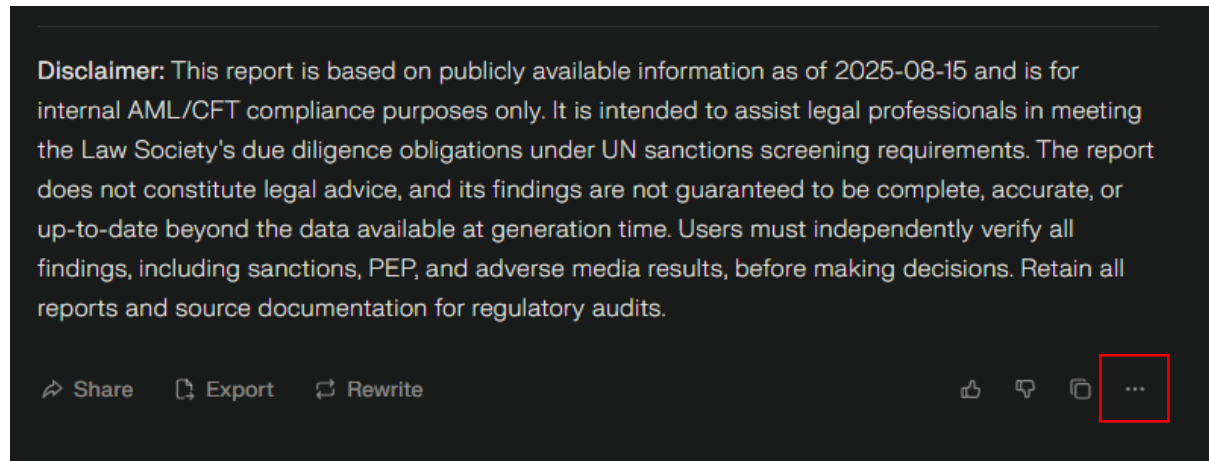
Click the icon or press Alt + I to draft with Copilot



Option 2: Export Directly to PDF (Alternative Way)

On supported platforms, scroll to the bottom of the generated response and locate

the **Export/Download** icon  (often represented by a page or arrow symbol) to save the report directly as a PDF.



Important Note on PDF Formatting:

Please be aware that **PDF export from AI platforms may encounter formatting issues** with the generated content. Common issues include:

- Misaligned tables or columns
- Incorrect line breaks or text wrapping
- Missing or improperly rendered special characters
- Inconsistent font sizing or spacing
- Disrupted structure of multi-section reports

Recommendation:

We recommend using **Option 1 (Save to Microsoft Word)** as the primary method, as it provides better control over formatting and readability. This allows you to review and adjust the layout before finalizing the document for compliance records.

If you do use PDF export, please:

1. Review the PDF carefully for formatting integrity before storing it as your compliance record
2. Consider maintaining both the Word version and PDF version for audit purposes
3. Verify that all critical information (especially the Overall Risk Rating and key findings) is clearly visible and readable