

Fraudulent website and phishing emails related to China CITIC Bank International Limited

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) wishes to alert members of the public to a press release issued by China CITIC Bank International Limited on fraudulent website and phishing emails, which has been reported to the HKMA. Hyperlink to the press release is available on the [HKMA website](#) for ease of reference by members of the public.

Anyone who has provided his or her personal information to the website concerned or has conducted any financial transactions through the website should contact the bank concerned using the contact information provided in the press release, and report to the Police or contact the Cyber Security and Technology Crime Bureau of the Hong Kong Police Force at 2860 5012.

Fraudulent website related to OCBC Wing Hang Bank Limited

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) wishes to alert members of the public to a press release issued by OCBC Wing Hang Bank Limited on fraudulent website, which has been reported to the HKMA. Hyperlink to the press release is available on the [HKMA website](#) for ease of reference by members of the public.

Anyone who has provided his or her personal information to the website concerned or has conducted any financial transactions through the website should contact the bank concerned using the contact information provided in the press release, and report to the Police or contact the Cyber Security and Technology Crime Bureau of the Hong Kong Police Force at 2860 5012.

CS visits Central and Western District

The Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, visited Central and Western District this afternoon (August 17) to keep abreast of the latest developments in the district.

Accompanied by District Officer (Central and Western), Mrs Susanne Wong, and the Chairman of the Central and Western District Council, Mr Yip Wing-shing, Mr Cheung first visited the Hong Kong Sheng Kung Hui Western District Elderly Community Centre and was briefed on the "Public Furniture" and "District Drawings" programmes and various new initiatives organised for the elderly in the district, including promoting healthy ageing through development of recreational and sports facilities by using electronic technology and through cross-sectoral collaboration. The Centre also considers ways for the Government and the District Council to pilot the programmes more extensively within the district.

He said that to proactively promote gerontechnology, the Hong Kong Special Administrative Region Government has earmarked \$1 billion for setting up a fund to subsidise elderly service units to trial use and procure or rent technology products so as to improve the quality of the life of elderly persons and reduce the burden and pressure on carers and care workers.

Mr Cheung then inspected the Central and Western District Promenade – Western Wholesale Food Market Section. He received a briefing on the development of Central and Western District's harbourfront and the next step of exploring more opportunities for interaction and collaboration with facilities in the vicinity such as the Western Wholesale Food Market so that more facilities and activities could be provided for non-government organisations and residents of the district.

Mr Cheung was pleased to note that the harbourfront promenade had been connected by a number of projects, offering quality leisure space for the public.

He then visited a Government, Institution or Community site in the district and was briefed on the suggestions for its use in the future.

To conclude the visit, Mr Cheung met Central and Western District Council members to listen to their views on various development issues and matters of concern to the community.

CE meets Minister of Agriculture,

Forestry and Fisheries of Japan (with photo)

The Chief Executive, Mrs Carrie Lam, met the Minister of Agriculture, Forestry and Fisheries of Japan, Mr Ken Saito, at the Chief Executive's Office this morning (August 17).

Mrs Lam welcomed Mr Saito's visit to Hong Kong for the second year in a row to attend the Food Expo organised by the Hong Kong Trade Development Council and promote Japanese food. Noting that she also visited the Food Expo last year and learnt that this year, as with last year, Japanese booths have been very well received by the general public, she said that this shows the love of Japanese gourmet food by Hong Kong people, making Hong Kong Japan's largest export market for food and agricultural products over the years. She expressed the hope that, with the commissioning of the new campus of the International Culinary Institute of the Vocational Training Council later, exchanges and co-operation in culinary training between Hong Kong and Japan could be strengthened to provide more pathways and career development opportunities for local young people.

Mrs Lam said that Hong Kong attaches great importance to food safety and that following confirmation of safety and implementation of a gatekeeping system, Hong Kong has lifted import bans on vegetables, fruits, milk, milk beverages and dried milk from four Japanese prefectures, namely Ibaraki, Tochigi, Chiba and Gunma, with conditions, since last month. She added that the Hong Kong authorities will closely monitor the situation of the import of Japanese food and maintain communication with the Ministry of Agriculture, Forestry and Fisheries of Japan to ensure food safety and safeguard public health.

Mrs Lam said that she will visit Japan later this year and looks forward to meeting with officials of Japan and attending various events to promote exchanges and co-operation between Hong Kong and Japan in different aspects.



The Monetary Authority reprimands and fines Shanghai Commercial Bank Limited for contraventions of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance

The following is issued on behalf of the Hong Kong Monetary Authority:

The Monetary Authority (MA):

(a) has reprimanded Shanghai Commercial Bank Limited (SCOM) for contravening section 19(3) of Schedule 2 to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) (AMLO) (Note 1) by failing to establish and maintain effective procedures for the purpose of carrying out its duty to continuously monitor business relationships;

(b) has ordered SCOM to submit to the Hong Kong Monetary Authority (HKMA), by a date and in a manner to be specified by the MA, a report prepared by an independent external advisor assessing whether the remedial measures implemented by SCOM are sufficient to address the contraventions and the effectiveness of the implementation; and

(c) has ordered SCOM to pay a pecuniary penalty of HKD5,000,000.

The disciplinary action (Note 2) follows an investigation by the HKMA

which found that SCOM contravened three specified provisions of the AMLO (Note 3). In summary, SCOM did not:

(a) continuously monitor its business relationship with 33 customers by examining the background and purposes of their transactions that were identified as (i) complex, unusually large in amount or of an unusual pattern and (ii) having no apparent economic or lawful purpose, and setting out its findings in writing;

(b) establish and maintain effective procedures for the purpose of carrying out its duty under section 5 of Schedule 2 to the AMLO to continuously monitor business relationships; and

(c) carry out customer due diligence (CDD) measures in respect of certain pre-existing customers (Note 4) when a transaction took place with regard to each of the customers that (i) was, by virtue of the amount or nature of the transaction, unusual or suspicious, or (ii) was not consistent with SCOM's knowledge of the customer or the customer's business or risk profile, or with its knowledge of the source of the customer's funds.

As regards the deficiencies in monitoring business relationships, although the relevant transactions were identified through SCOM's Management Information System (MIS) reports, which took into account different customer risk levels and transaction types, and were selected by SCOM's Compliance Department at the material time for further enquiry or investigation, SCOM had not adequately examined the background and purposes of those transactions and set out the findings in writing. SCOM also lacked effective policies and procedures for monitoring the handling of MIS alerts including properly recording the follow-up actions taken and monitoring the review time, resulting in significant delay in alert clearance. As for carrying out CDD measures in respect of pre-existing customers, while one of the customers conducted the relevant transactions as early as in May 2012, SCOM failed to identify those transactions at the material time as unusual or suspicious or not consistent with its knowledge of the customer and had not conducted CDD measures accordingly.

In deciding the disciplinary action, the MA took into account all of the relevant circumstances and factors, including the following:

(a) the need to send a clear deterrent message to the industry about the importance of effective internal anti-money laundering/counter-terrorist financing (AML/CFT) controls and procedures;

(b) SCOM has taken and will take extensive remedial measures to enhance its AML/CFT systems and controls; and

(c) SCOM has no previous disciplinary record and was co-operative throughout the investigation.

The Executive Director (Enforcement and AML) of the HKMA, Ms Carmen Chu, said, "This is a case concerning deficiencies in AML/CFT systems and controls in relation to transaction monitoring. While banks are expected to

adopt a risk-based approach (RBA) in their AML/CFT efforts and it is unrealistic to expect a 'zero failure' outcome, a RBA can only be effective if risk is adequately understood and managed. Risk assessments are not static; monitoring of customer transactions and ongoing reviews are fundamental components of a reasonably designed RBA, and banks should have robust systems and controls in place. Under a RBA, when potential increase in risk is identified, transactions of existing low risk customers and pre-existing customers must also be adequately examined without delay, and reference can be made to various guidance provided by the HKMA, including the Guidance Paper on Transaction Screening, Transaction Monitoring and Suspicious Transaction Reporting."

Relevant link: [Statement of Disciplinary Action](#)

Notes:

1. Prior to March 1, 2018, the short title of Chapter 615 of the Laws of Hong Kong was the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance.
2. The disciplinary action is taken under section 21 of the AMLO. The AMLO imposes CDD and record-keeping requirements on specified financial institutions, including Authorised Institutions (AIs), and designated non-financial businesses and professions. As regards AIs, the MA is the relevant authority under the AMLO.
3. SCOM contravened sections 5(1) and 19(3) of Schedule 2 to the AMLO during the period from July 2014 to June 2016 and section 6(1) of Schedule 2 to the AMLO during the period from April 2012 to August 2017.
4. Part 1 of Schedule 2 to the AMLO defines a pre-existing customer, in relation to a financial institution, as a customer with whom the financial institution has established a business relationship before the date of commencement of the AMLO, i.e. April 1, 2012.