

Hong Kong Customs cracks down on money laundering case involving about \$600 million

Hong Kong Customs on April 28 mounted an operation codenamed "Eagle Net" and detected a suspected money laundering case. Four persons suspected to be connected with the case were arrested. They were suspected of using personal bank accounts since 2020 at various banks in Hong Kong (including virtual banks) to launder a total of about \$600 million from unknown sources. Customs has arranged to freeze a total bank balance of \$1.7 million held by the arrested persons.

Acting upon intelligence, Customs officers targeted four local persons whose background and financial status were highly incommensurate with the large amount of suspicious transactions recorded in their personal bank accounts. Apart from dealing with a large amount of money from unknown sources through local bank accounts, they also opened accounts at an overseas cryptocurrency exchange trading platform to deal with cryptocurrencies from unknown sources. Then they converted the cryptocurrencies into fiat currencies and remitted the suspicious funds out via local banks. They were suspected of engaging in money laundering activities.

Following in-depth investigations, Customs raided four residential premises, five offices and two licensed money changers on April 28. Two men and two women, aged between 32 and 54, were arrested for "dealing with property known or reasonably believed to represent proceeds of an indictable offence" (commonly known as money laundering) under the Organized and Serious Crimes Ordinance (OSCO).

An investigation is ongoing. The four arrested persons have been released on bail pending further investigation and the likelihood of further arrests is not ruled out.

Under the OSCO, a person commits an offence if he or she deals with any property knowing or having reasonable grounds to believe that such property in whole or in part directly or indirectly represents any person's proceeds of an indictable offence. The maximum penalty upon conviction is a fine of \$5 million and imprisonment for 14 years while the crime proceeds are also subject to confiscation.

Customs appeals to members of the public that they risk committing the crime of money laundering if they use personal bank accounts to deal with money from unknown sources, regardless of whether monetary reward is involved.

Members of the public may report any suspected money laundering activities to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk).