

Hong Kong Customs detects first case of suspected money laundering using virtual currency with \$1.2 billion involved

Hong Kong Customs on July 8 mounted an operation codenamed "Coin Breaker" in which a suspected money laundering syndicate involving \$1.2 billion was smashed and four persons were arrested. This is the first time Customs has detected a money laundering case with virtual currency usage by a suspected money laundering syndicate.

Customs identified a suspected money laundering syndicate at the beginning of this year. After in-depth investigations, more than 30 officers have been mobilised on July 8 to raid four residential premises in Wong Chuk Hang, Prince Edward, Tuen Mun and Tin Shui Wai. An office in Mong Kok was also searched. Four men, aged between 24 and 33, suspected to be involved in the case were arrested for contravention of Organized and Serious Crimes Ordinance (OSCO) and conspiring to "deal with property known or reasonably believed to represent proceeds of an indictable offence" (commonly known as money laundering).

An initial investigation revealed that the four persons involved in the case had opened accounts at various banks in Hong Kong and had made transactions through a virtual currency exchange trading platform. Suspicious funds of approximately \$1.2 billion involving bank remittances and a virtual currency were found processed between February last year and May this year.

Computers, mobile phones, banking security authentication tokens and piles of documents, including business registration records, bank statements and chequebooks, were seized at the locations searched.

The investigation is ongoing. All 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.

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).