

Hong Kong Customs detects money laundering case involving about \$1.5 billion

Hong Kong Customs mounted an operation codenamed "Fencing" yesterday (August 7) and dismantled a money laundering syndicate receiving suspicious funds from the Asia-Pacific region. It was suspected that the syndicate masterminds and members made use of shell companies and cryptocurrency to launder crime proceeds amounting to about \$1.5 billion. During the operation, Customs arrested four persons suspected to be connected with the case and has already arranged to freeze a total of about \$2.2 million in assets held by the arrestees.

Earlier this year, Customs officers identified a money laundering syndicate for a financial investigation. It was revealed that the suspects had received suspicious funds from the Asia-Pacific region through a couple of trading companies between August 2020 and August 2022, and the total transactions amounted to about \$1.5 billion.

After an in-depth investigation, Customs conducted an enforcement operation yesterday and arrested four persons, aged between 31 and 66, who were suspected of "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). The arrested persons consisted of two Asian men, one local woman and one local man. They were believed to be the masterminds and core and grassroots members in the case.

In the operation, Customs officers also raided three residential and one commercial units, where a batch of items suspected to be connected with the case, including mobile phones, computers, company and bank documents, bank cards and cryptocurrency cold wallets, was seized.

The 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.

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) or online form (eform.cefs.gov.hk/form/ced002).