Anti-Money Laundering seminar

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Legislations on Money Laundering in Hong Kong

S.25 of Cap 455 Organized and Serious Crimes Ordinance (OSCO)

"Dealing with Property Known or Believed to Represent Proceeds of Indictable Offence" (Money Laundering)

Any person

- knowing / having reasonable grounds to believe any property
- in whole / in part or directly/ indirectly represents proceeds of indictable offence
- deals with that property
- commits an offence

Maximum Penalty

- HKD 5 million fine
- 14 years' imprisonment

S.25 of Cap 455 Organized and Serious Crimes Ordinance (OSCO)

Example of committing the offence of Money Laundering by stooge account holder

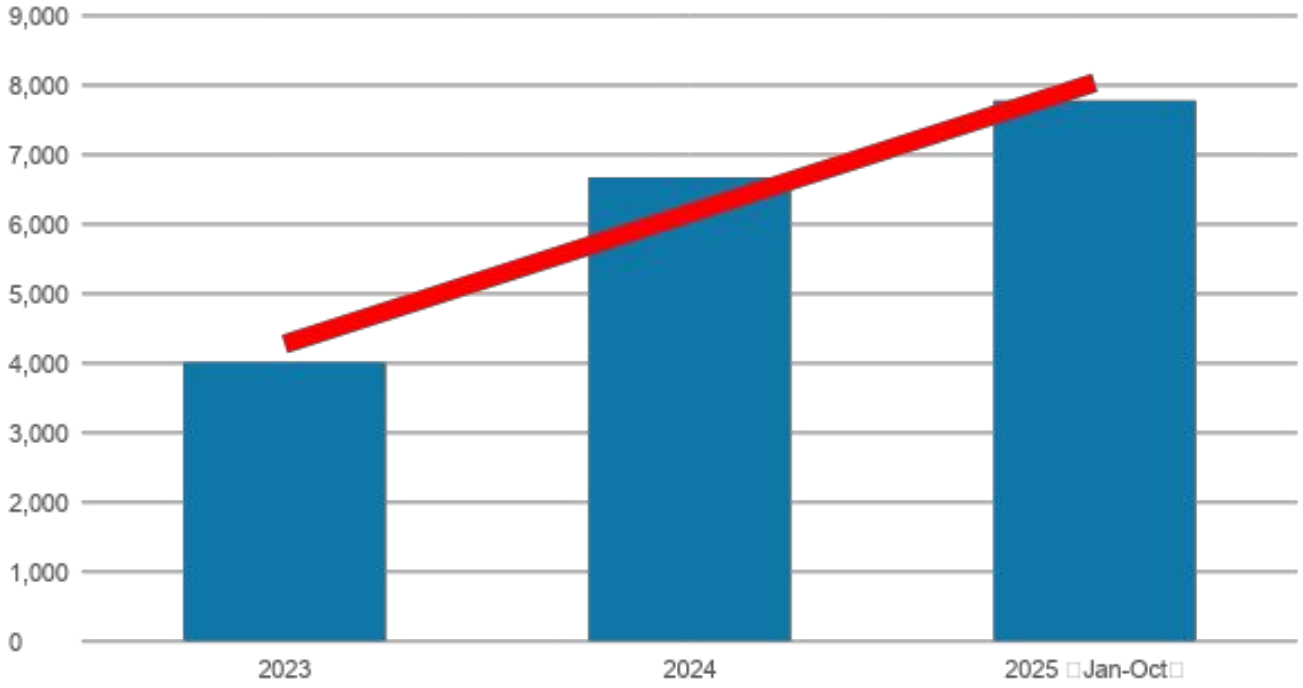
- Lending / Selling bank account to friends / non-acquaintance with or without monetary rewards

In both situation,

- Even the account holder has no knowledge about the predicate offence (e.g. telephone deception / email scam / romance scam/ loan sharking)
- When crime proceeds is received in his/ her own bank account
- The account holder may commit offence of Money Laundering
- Same maximum penalty applies

Trend on Money Laundering

Trend of Money Laundering Cases in 2023-2025 (up to October 2025)



	2023	2024	2025 (Jan-Oct)
Total Money Laundering Cases	4,018	6,672	7,777

As at 2025-10-31

Common Modus Operandi of ML

01 Casino

02 Antiques, art pieces

03 Insurance

04 Foundation

05 Cash

06 Stooge accounts

07 Money Service provider

08 Property

09 Virtual Asset

10 Others

Common Modus Operandi of ML

Buying bank accounts

Common Modus Operandi of ML

Employment Traps

Case Sharing

Case 1: Selling Bank Accounts—— 35 Months Imprisonment

The Subject

- 32-year-old construction worker
- Sold 3 accounts for HKD 7,500 reward

The Conduct

- Stooge accounts used for 6 different scams
- Handled HKD 5 million (June - July 2023)
- Enhanced sentencing applied for stooge accounts

Wider Impact

- 236+ people received enhanced sentences since 2023
- Extra 2-18 months added to standard jail terms

FINAL VERDICT

35 Months Jail
(Including 5-month enhancement)

KEY LESSON Handling funds from unclear sources constitutes money laundering, the penalty far outweighs the small reward.

Case 2: Students' Union: Fraud & Money Laundering Charges

The Scheme

Defendants allegedly withdrew funds from the Union account under false pretense of reimbursing activity expenses.

The Charges

Conspiracy to defraud. One defendant (28, Male) faces additional money laundering charges.

Total Laundered Amount Involved:

HK$3.64M

Critical Analysis

- **Separate Offences:** Fraud, theft, and charged money laundering can coexist and be separately.
- **Handling Proceeds:** Even if you didn't commit the fraud, handling the money knowingly is laundering.
- **Governance:** Student organizations must maintain strict financial controls.

KEY LESSON Money laundering is distinct from the underlying crime – you can be prosecuted for handling dirty money

Case 3: Student Scam: "Money Laundering" Deception

The Victims & The Loss

Subject: 18-year-old university student from Mainland China.

Loss: HKD 9.2 million transferred in 14 transactions (Nov 2024 - Jan 2025).

Outcome: Scammers disappeared. Police classified as "Obtaining Property by Deception".

Red Flags to Watch

- "Official investigations" via phone
- Demands for "Asset Freezing"
- "Immediate transfers" for verification
- Pressure to act secretly

KEY LESSON Independently verify any claims of law enforcement contact. Never transfer money based on unsolicited calls.

Tips to Anti-money laundering

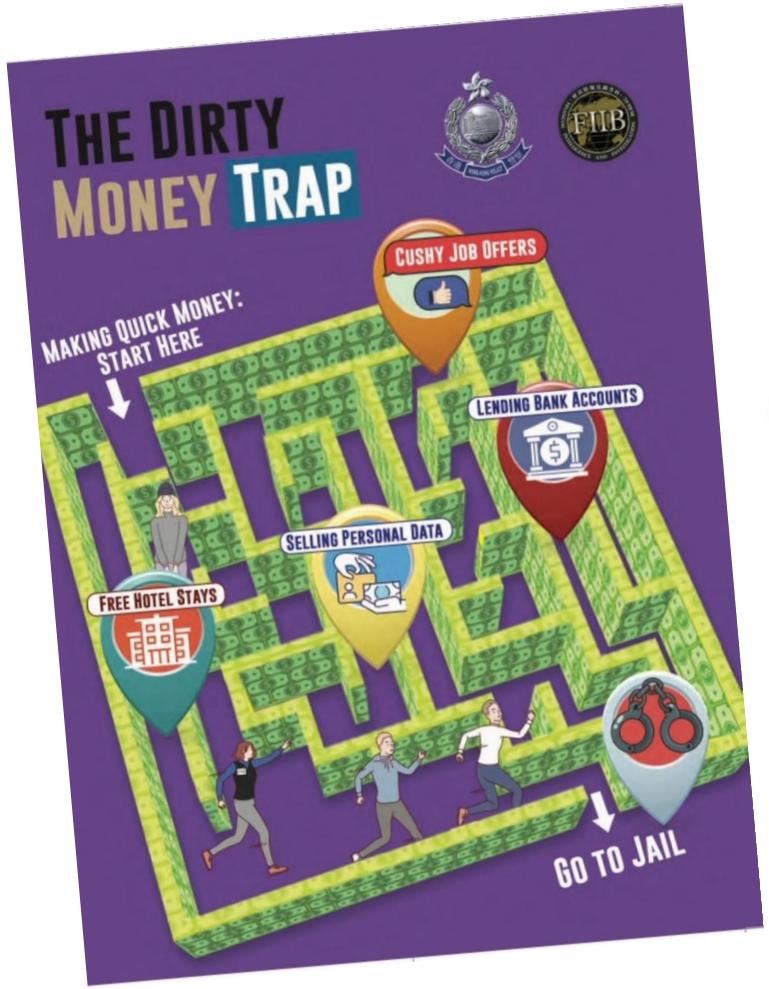
- **No** selling bank account to others for monetary reward
- **No** lending bank account to friends or relatives to handle suspicious transactions
- **No** assisting friend / unacquaintance to handle fund of unverified source
- **No** disclosure of personal particulars to others
- **No** hesitation to seek assistance from Police

Hong Kong / Law and Crime

Hongkongers warned over 'stooge accounts' after police get courts to impose longer jail terms on trio who gave bank details to money-laundering syndicates

- Common feature among all kinds of scams is that syndicates need bank accounts to gather and transfer their proceeds, senior police officer says
- Police obtained a 20 per cent sentence increase last month for defendants in two separate money-laundering cases, he reveals

Newly produced AML comic book



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