



**SECURITIES AND
FUTURES COMMISSION**
證券及期貨事務監察委員會

Business and Risk Management Questionnaire for Associated Entity

(Made for the purposes of compliance with the requirements of section 156(1)(a) of the Securities and Futures Ordinance (Cap.571) as amplified in section 3(3) of the Securities and Futures (Accounts and Audit) Rules (Cap.571P))

1 Central Entity Number ("CE Number"): [AQ17001]

2 Name of Associated Entity: [AQ17002]

3 Financial year ended: [AQ17003]

4 Approved by: [AQ17003A]

Name: [AQ17003A_01]

Capacity: [AQ17003A_02]

5 Please nominate a person that the Securities and Futures Commission should contact in case of enquiries: [AQ17003B]

Name: [AQ17003B_01]

Position: [AQ17003B_02]

Phone no.: [AQ17003B_03]

Completion Notes

For the purpose of compliance with section 156(1) of the Securities and Futures Ordinance ("SFO") (Cap. 571) as amplified by the Securities and Futures (Accounts and Audit) Rules (Cap. 571P), an associated entity must complete a business and risk management questionnaire ("BRMQ") and submit it to the Securities and Futures Commission ("SFC") within 4 months after the end of each financial year. The BRMQ should be completed electronically and submitted through WINGS, the SFC's online portal.

The BRMQ aims to obtain information about the business operations of an associated entity and the measures adopted by it to ensure sound management of risks, compliance with relevant legal and regulatory requirements and conduct of business activities in a proper manner, including the systems of controls, policies and procedures that it has in place in respect of certain business functions and operations. The SFC recognises that associated entities may adopt different controls, policies and procedures to this end given the significant differences that exist in their organisational and legal structures as well as the nature and scope of their business activities. Therefore, the answer options provided in the BRMQ are neither intended to be, nor should it be construed as, an exhaustive or mandatory list of controls, policies and procedures for an associated entity's internal control systems.

When completing the BRMQ in electronic format, associated entities will be directed by skip logic¹ to the questions applicable to them.

Associated entities are expected to provide responses which most accurately reflect their operations and controls, and should furnish all information requested in the BRMQ (including any statistics and numbers) to the best of their knowledge. If an associated entity finds any questions where the available answer options do not completely describe its situation, it may provide additional, relevant information to supplement or clarify its answers to those questions in the "Supplementary Information" section of the BRMQ.

To facilitate completion of the BRMQ, there is an option in WINGS that an associated entity may select to start with an electronic form of the BRMQ with some answers to the questions pre-populated based on the BRMQ submitted by the associated entity electronically for the previous financial year. Associated entities however should review the pre-populated answers carefully to ensure that they remain accurate for the present financial year before submission. Alternatively, an associated entity may choose to start with a blank electronic form of the BRMQ.

Unless defined or the context requires otherwise, terms bear the same meanings given to them in the SFO.

If you have any question in relation to the BRMQ, please contact your responsible case officer in the Intermediaries Supervision Department.

¹Skip logic is an information technology feature that directs the associated entity to applicable questions in the BRMQ based on the answer options selected in previous questions.

Index

<u>Required</u>	<u>Section Name</u>
<input type="checkbox"/>	Section A – General
<input type="checkbox"/>	<u>Section B – Anti-Money Laundering and Counter-Financing of Terrorism</u>

Glossary

Unless defined below or otherwise in the respective sections, terms used in the BRMQ bear the same meanings given to them in the Securities and Futures Ordinance and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance.

Terms used in the Questionnaire		
<u>Terms</u>	<u>Meaning</u>	<u>Applicable Section(s)</u>
<u>AML/ CFT compliance checking</u>	<u>Testing of key components of the AML/ CFT systems to ensure staff perform their functions according to the Associated Entity's policies and procedures.</u>	<u>Section B – Anti-Money Laundering and Counter-Financing of Terrorism</u>
<u>Client fund deposits</u>	<u>Fund deposits made by or on behalf of a client for crediting into the client's account maintained with the Associated Entity as available funds. They include fund deposits made by a client or a third party for the client's account, but do not include receipts from clearing houses or financial intermediaries resulting from the settlement of the client's trades.</u>	<u>Section B – Anti-Money Laundering and Counter-Financing of Terrorism</u>
<u>Code of ethics</u>	<u>A set of principles that governs the conducts of the Associated Entity's staff.</u>	<u>Section B – Anti-Money Laundering and Counter-Financing of Terrorism</u>
<u>Cross-border fund transfer</u>	<u>Fund transfer to/ out of the client account from/ to another jurisdiction, regardless of whether or not a third-party was involved.</u>	<u>Section B – Anti-Money Laundering and Counter-Financing of Terrorism</u>
<u>Financial crime</u>	<u>Criminal conduct relating to financial services or markets, which includes any offence involving (i) fraud or dishonesty; (ii) misconduct in, or misuse of information relating to, a financial market; (iii) handling the proceeds of crime; or (iv) the financing of terrorism.</u>	<u>Section B – Anti-Money Laundering and Counter-Financing of Terrorism</u>
<u>Independent review of AML/ CFT systems</u>	<u>Review of the effectiveness of the Associated Entity's AML/ CFT systems by, for example, the internal audit department, external specialist consultants or other qualified parties who are not involved in the design, implementation or operation of the AML/ CFT systems.</u>	<u>Section B – Anti-Money Laundering and Counter-Financing of Terrorism</u>
<u>Intermediary</u>	<u>The intermediary with which the Associated Entity is in a controlling entity relationship and receives or holds client assets of the intermediary.</u>	<u>Section B – Anti-Money Laundering and Counter-Financing of Terrorism</u>
<u>Internal</u>	<u>Report of ML/ TF suspicion made by staff internally to the MLRO for determination</u>	<u>Section B</u>

<u>disclosure</u>	<u>of whether or not it is necessary to make a report to the JFIU. It should include, but not limited to, report of suspicious transactions identified by staff of the AML/ Compliance function or other functions through review of exception reports or transaction monitoring alerts.</u>	<u>– Anti-Money Laundering and Counter-Financing of Terrorism</u>
<u>Third-party fund transactions</u>	<u>Payments to/ receipts from third parties in client accounts; but do not include (i) payments to clearing houses or financial intermediaries on behalf of a client for settlement of trades or meeting of margin obligations of the client, (ii) receipts from clearing houses or financial intermediaries on behalf of a client resulting from the settlement of the client's trades, (iii) payments to a financial intermediary on behalf of a client for crediting into the same client's account held with the financial intermediary, or (iv) receipts from a financial intermediary on behalf of a client where the relevant funds are from the same client's account held with the financial intermediary.</u>	<u>Section B – Anti-Money Laundering and Counter-Financing of Terrorism</u>
<u>Third parties that might pose higher risks</u>	<u>Third parties who are not immediate family members (eg, a spouse, parent or child), beneficial owners or affiliated companies of the clients, or regulated custodians or lending institutions.</u>	<u>Section B – Anti-Money Laundering and Counter-Financing of Terrorism</u>

Abbreviations	
Abbreviations	Terms
<u>AMLO</u>	<u>Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615)</u>
<u>AML/ CFT</u>	<u>Anti-Money Laundering and Counter-Financing of Terrorism</u>
<u>CDD</u>	<u>Customer due diligence</u>
<u>IRA</u>	<u>Institutional risk assessment</u>
<u>JFIU</u>	<u>Joint Financial Intelligence Unit</u>
<u>LEA</u>	<u>Law enforcement agency</u>
<u>ML/ TF</u>	<u>Money Laundering/ Terrorist Financing</u>
<u>MLRO</u>	<u>Money Laundering Reporting Officer</u>
<u>PEP</u>	<u>Politically Exposed Person</u>
<u>PO Box</u>	<u>Post Office Box</u>
<u>SFO</u>	<u>Securities and Futures Ordinance (Cap. 571)</u>
<u>SOAs</u>	<u>Contract notes, statements of account and receipts</u>
<u>STRs</u>	<u>Suspicious transaction reports</u>

Section A - General (AQ17005 - AQ17020)**I. Business Overview**

1 (a) Please state the total number of clients and number of clients who are professional investors as at the end of the financial year. [AQ17005_01]

(i) Total number of clients: [AQ17005_01_01]:

(ii) Number of clients who are professional investors: [AQ17005_01_02]:

1 (b) Does the Associated Entity receive or hold client money as nominee on behalf of clients of the intermediary? [AQ17005_02]

- Yes
 No

1 (c) Does the Associated Entity receive or hold client securities as nominee on behalf of clients of the intermediary? [AQ17005_03]

- Yes
 No

1 (d) If the answer is "Yes" in (b) and/ or (c) above, does the Associated Entity issue any receipts and/ or statements of account (collectively referred to as "SOAs") to the clients? [AQ17005_04]

- Yes
 No

II. Finance and Accounting

2 Does the Associated Entity have the following finance and accounting controls? [AQ17006_01]

	Yes	No	N/A
(a) Prepare management accounts at least monthly [AQ17006_01_01]	<input type="radio"/>	<input type="radio"/>	
(b) Reconcile house account balances regularly and at least monthly [AQ17006_01_02]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(c) Follow up discrepancies noted in the reconciliation performed [AQ17006_01_03]	<input type="radio"/>	<input type="radio"/>	

(i) If the answer is "Yes" in (c), please indicate how promptly the discrepancies are followed up. [AQ17006_02]

- Immediately
 Within two weeks
 Within one month
 Others, please specify:

III. Client Assets

3 Does the Associated Entity designate all overseas bank, broker or custodian accounts in which client money is held as trust accounts or client accounts? [AQ17007]

- Yes
 No
 N/A - the Associated Entity does not hold or receive client money overseas.
-

4 (a) Does the Associated Entity allow transfers of account balances among clients? [AQ17008_01]

- Yes
 No

4 (b) If the answer is "Yes" in (a), does the Associated Entity check whether such transfers are [AQ17008_02]

	Yes	No
(i) authorised by both the transferor and transferee? [AQ17008_02_01]	<input type="radio"/>	<input type="radio"/>
(ii) supported with the client's explanation for making the transfer? [AQ17008_02_02]	<input type="radio"/>	<input type="radio"/>
(A) If the answer is "Yes" in (ii), does the Associated Entity assess the reasonableness of the client's explanation for the transfer? [AQ17008_02_02_01]	<input type="radio"/>	<input type="radio"/>
(iii) properly approved by appropriate senior staff member? [AQ17008_02_03]	<input type="radio"/>	<input type="radio"/>

5 Does the Associated Entity designate all overseas accounts in which client securities are held as trust accounts or client accounts? [AQ17009]

- Yes
 No
 N/A - the Associated Entity does not hold or receive client securities overseas.

6 (a) Does the Associated Entity allow transfers of securities holdings among clients? [AQ17010_01]

- Yes
 No

6 (b) If the answer is "Yes" in (a), does the Associated Entity check whether such transfers are [AQ17010_02]

- | | Yes | No |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| (i) authorised by both the transferor and transferee? [AQ17010_02_01] | <input type="radio"/> | <input type="radio"/> |
| (ii) supported with the client's explanation for making the transfer? [AQ17010_02_02] | <input type="radio"/> | <input type="radio"/> |
| (A) If the answer is "Yes" in (ii), does the Associated Entity assess the reasonableness of the client's explanation for the transfer? [AQ17010_02_02_01] | <input type="radio"/> | <input type="radio"/> |
| (iii) properly approved by appropriate senior staff member? [AQ17010_02_03] | <input type="radio"/> | <input type="radio"/> |

7 Does the Associated Entity accept its staff to settle debt on behalf of client who is not the staff's family member? [AQ17011]

- Yes
 No

8 Does the Associated Entity have any clients who use the following services provided by Hong Kong Securities Clearing Company Limited when they deal with the Associated Entity? If yes, please also indicate the number of clients using such service(s) respectively. [AQ17012]

	(A)		(B) No. of clients using the service(s) as at the end of the financial year	
	Yes	No	1 - 100	101 or above
(a) Stock Segregated Account with Statement Service [AQ17012_01]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(b) Investor Participant Account [AQ17012_02]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

IV. SOAs to clients

9

(A) **(B) If the answer is "Yes" in (A), please indicate the number of such authorisation that remains valid as at the end of the financial year**

(i) Written authorisation **(ii) Verbal authorisation**

Yes **No** **None** **1 - 10** **11 - 50** **51 - 100** **101 or above** **None** **1 - 10** **11 - 50** **51 - 100** **101 or above**

Does the Associated Entity allow its clients to authorise its staff, other than a family member of the client, to receive SOAs for the client without the client's specific instruction? [AQ17013_01]

10

(A) **(B) If the answer is "Yes" in (A), please indicate the number of such authorisation that remains valid as at the end of the financial year**

(i) Written authorisation **(ii) Verbal authorisation**

Yes **No** **None** **1 - 10** **11 - 50** **51 - 100** **101 or above** **None** **1 - 10** **11 - 50** **51 - 100** **101 or above**

Does the Associated Entity allow its clients to authorise a third party, other than a family member of the client, to receive SOAs for the client? [AQ17014_01]

11 (a) Does the Associated Entity have hold-mail clients? [AQ17015_01]

(A)		(B) If the answer is "Yes" in (A), please indicate the number of hold-mail clients as at the end of the financial year.				
Yes	No	1 - 10	11 - 50	51 - 100	101 or above	
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

11 (b) If the answer is "Yes" in (a), please indicate the controls that the Associated Entity has in place for hold-mail arrangements.
(Please choose all options that are applicable to the Associated Entity.) [AQ17015_02]

- (i) Obtain written hold-mail instructions from clients and annually renew the instructions
- (ii) Verify the client's signature on the hold-mail instruction against the signature record or call the client to confirm the instruction
- (iii) Require approval from appropriate senior staff member for the hold-mail arrangement
- (iv) Control the custody of the withheld SOAs and release of the same to the clients
- (v) Require the client or a person authorized by him to collect the SOAs to acknowledge in writing the collection of the SOAs
- (vi) Impose a time-limit for withholding the SOAs after which a staff will follow up with the client to collect the SOAs
- (vii) Others, please specify:
- (viii) N/A - the Associated Entity does not have any control in place for hold-mail arrangements. Please provide further details (optional):

12 Please indicate the procedures that the Associated Entity has in place to ensure the completeness of SOAs dispatched to clients.
(Please choose all options that are applicable to the Associated Entity.) [AQ17016]

- (a) Maintain a control log to monitor the dispatch of SOAs to clients
- (b) Reconcile the number of SOAs prepared and dispatched to clients
- (c) Promptly follow up on undelivered/ returned SOAs
- (d) Suspend accounts with undelivered/ returned SOAs after repeated failures to contact the client
- (e) Others, please specify:
- (f) N/A - the Associated Entity does not have any procedure in place to ensure the completeness of SOAs dispatched to clients. Please provide further details (optional):

13 Please indicate the means of delivery of SOAs to clients and based on your best estimate, indicate the percentage of total SOAs delivered by the following means as at the end of the financial year. (Please choose all options that are applicable to the Associated Entity.) [AQ17017]

	Below 10%	% of total 10% - 50%	Above 50%
<input type="checkbox"/> (a) By e-mail to client's designated email address	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (b) By mail to client's residential/ correspondence address (other than PO Box)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (c) By mail to PO Box	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (d) By email/ mail to the Associated Entity's address or its staff's address	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (e) Hold mail	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (f) Others, please specify: <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

V. Complaint Handling

14 Please describe the procedures that the Associated Entity has in place in relation to complaint handling. (Please choose all options that are applicable to the Associated Entity.) [AQ17018]

- (a) Maintain a complaint log
- (b) Monitor the progress of complaints investigation
- (c) Make regular reports to senior management for review
- (d) Investigate and remedy other relevant issues if the complaint relates to other clients, or raises issues of broader concern, notwithstanding that the other clients may not have filed the complaints with the Associated Entity
- (e) Others, please specify:
- (f) N/A - the Associated Entity does not have any complaint handling procedures. Please provide further details (optional):

15 Please indicate the number of client complaints with the primary nature relating to the following areas during the financial year. [AQ17019]

	Number of complaints received during the financial year			
	None	1 - 2	3 - 5	6 or above
(a) Non-receipt of SOAs [AQ17019_01]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(b) Unauthorized transactions [AQ17019_02]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(c) Unauthorized handling of client assets [AQ17019_03]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(d) Incorrect account balances or stock holding on statement of account [AQ17019_04]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(e) Standard of service [AQ17019_05]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(f) Money laundering [AQ17019_06]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(g) Misappropriation of client asset [AQ17019_07]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(h) Others, please specify : <input type="text"/> [AQ17019_08]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

VI. Management and Supervision

16 Please indicate the frequency of senior management of the Associated Entity: [AQ17020]

	At least monthly	At least quarterly	At least annually	Less frequent than annually	N/A - no such review or discussion.
(a) Reviewing management information or reports relating to safekeeping of client assets [AQ17020_01]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
					Please provide further details (optional): <input style="width: 100px; height: 20px;" type="text"/>
(b) Discussing compliance issues with laws, regulations and internal policies and procedures which are properly documented [AQ17020_02]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
					Please provide further details (optional): <input style="width: 100px; height: 20px;" type="text"/>

Section B - Anti-Money Laundering and Counter-Financing of Terrorism ("AML/ CFT")
(AQ22A0201 - AQ22A0220)

I. Institutional Risk Assessment

1 (a) Is there any institutional risk assessment ("IRA") conducted to identify, assess and understand the money laundering and terrorist financing ("ML/ TF") risks to which the Associated Entity is exposed and to evaluate whether its AML/ CFT systems are adequate and appropriate to reduce its exposure to the ML/ TF risks identified to an acceptable level? [AQ22A0201_01]

- Yes
 No

1 (b) If the answer is "Yes" in (a), please provide the following information in relation to the IRA of the Associated Entity.

(i) Please provide the following information in relation to the last IRA of the Associated Entity. [AQ22A0201_02_01]

(A) The end date (MM/YY) of the review period covered in the last IRA of the Associated Entity:

(B) The date (MM/YY) of senior management's approval of the last IRA of the Associated Entity:

(ii) Please indicate the overall ML/ TF risk level of the Associated Entity based on the latest IRA of the Associated Entity. [AQ22A0201_02]

- High or equivalent
 Medium high or equivalent
 Medium or equivalent
 Medium low or equivalent
 Low or equivalent
 Others, please specify:

1 (c) If the answer is "No" in (a), please indicate the reason for not having conducted any IRA. [AQ22A0201_03]

- The Associated Entity has not yet commenced business or is inactive (ie, no client or business activity).
 The Associated Entity has commenced business for less than two years (as of the date of completion of this questionnaire).
 Others, please specify:

II. Senior Management Oversight

2 (a) Are any of the Associated Entity's AML/ CFT control activities subject to the AML/ CFT policies, procedures and controls of the Intermediary? [AQ22A0202 01]

- Yes
 No

2 (b) If the answer is "Yes" in (a), please indicate the area(s) of AML/ CFT control activities of the Associated Entity that are subject to the AML/ CFT policies, procedures and controls of the Intermediary. [AQ22A0202 02]

- (i) Governance over AML/ CFT systems
 (ii) Institutional risk assessment
 (iii) Customer risk assessment
 (iv) Initial customer due diligence
 (v) Ongoing customer due diligence (eg, by periodic and/ or trigger event review)
 (vi) Sanctions and politically exposed persons ("PEPs") screening
 (vii) Transaction monitoring
 (viii) Staff training
 (ix) Others, please specify:

III. Independent Review of AML/ CFT Systems

3 (a) Please indicate who are responsible for the independent review of the Associated Entity's AML/ CFT systems to evaluate their effectiveness. (Please choose all options that are applicable to the Associated Entity.) [AQ22A0203 01]

- (i) The Associated Entity's/ group's compliance or other designated control function
 (ii) The Associated Entity's/ group's internal audit function
 (iii) External consulting/ professional firms
 (iv) Others, please specify:
 (v) N/A - the Associated Entity did not have any arrangements for the independent review of its AML/ CFT systems. Please provide further details (optional):

3 (b) Was there an independent review of the Associated Entity's AML/ CFT systems conducted during the financial year? [AQ22A0203 02]

- Yes
 No

3 (c) If the answer is "Yes" in (b), please indicate the areas that were covered in the independent review of the Associated Entity's AML/ CFT systems conducted during the financial year. (Please choose all options that are applicable to the Associated Entity.) [AQ22A0203_03]

	(A) Were there any material non-compliance or deficiencies identified?		(B) Remediation status
	Yes	No	
<input type="checkbox"/> (i) <u>Governance over AML/ CFT systems</u>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
<input type="checkbox"/> (ii) <u>Customer risk assessment</u>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
<input type="checkbox"/> (iii) <u>Customer due diligence</u>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
<input type="checkbox"/> (iv) <u>Sanctions and PEPs screening</u>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
<input type="checkbox"/> (v) <u>Transaction monitoring</u>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
<input type="checkbox"/> (vi) <u>Suspicious transaction reporting</u>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
<input type="checkbox"/> (vii) <u>Others, please specify:</u> <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

IV. AML/ CFT Compliance Checking

4 (a) Was there any AML/ CFT compliance checking conducted for the Associated Entity during the financial year? [AQ22A0204_01]

- Yes
- No. Please provide further details (optional):
- N/A - AML/ CFT compliance checking is not applicable to the Associated Entity given the nature of its business activities. Please explain:

4 (b) If the answer is "Yes" in (a), please indicate the areas that were covered in the Associated Entity's AML/ CFT compliance checking conducted during the financial year. (Please choose all options that are applicable to the Associated Entity.) [AQ22A0204_02]

	(A) Were there any material non-compliance or deficiencies identified?		(B) Remediation status
	Yes	No	
<input type="checkbox"/> (i) <u>Customer risk assessment</u>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
<input type="checkbox"/> (ii) <u>Customer due diligence</u>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
<input type="checkbox"/> (iii) <u>Sanctions and PEPs screening</u>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
<input type="checkbox"/> (iv) <u>Transaction monitoring</u>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
<input type="checkbox"/> (v) <u>Suspicious transaction reporting</u>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
<input type="checkbox"/> (vi) <u>Others, please specify:</u> <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

V. Staff Training

5 (a) Does the Associated Entity provide induction training on AML/ CFT to its staff? [AQ22A0205_01]

- Yes
- No. Please provide further details (optional):

5 (b) If the answer is "Yes" in (a), please indicate which of the following group(s) of staff are required to attend induction training on AML/ CFT. (Please choose all options that are applicable to the Associated Entity.) [AQ22A0205_02]

- (i) Managerial staff (eg, senior management, department heads)
- (ii) Frontline staff who are responsible for dealing with clients/ prospective clients directly
- (iii) Middle and back office staff who are responsible for processing client transactions, maintenance of client information or other control functions
- (iv) Staff who are responsible for compliance or internal audit functions

5 (c) Does the Associated Entity provide refresher training on AML/ CFT to its staff? [AQ22A0205_03]

- Yes
- No. Please provide further details (optional):

5 (d) If the answer is "Yes" in (c), please indicate which of the following group(s) of staff are required to attend refresher training on AML/ CFT and the frequency of refresher training. (Please choose all options that are applicable to the Associated Entity.) [AP22A0205_04]

	<u>(A) At least annually</u>	<u>(B) At least biennially (ie, at least once every two years)</u>	<u>(C) Less frequent than biennially</u>
<input type="checkbox"/> (i) <u>Managerial staff (eg, senior management, department heads)</u>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (ii) <u>Frontline staff who are responsible for dealing with clients/ prospective clients directly</u>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (iii) <u>Middle and back office staff who are responsible for processing client transactions, maintenance of client information or other control functions</u>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (iv) <u>Staff who are responsible for compliance or internal audit functions</u>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

VI. Staff Integrity

6 (a) Were there any incidences of disciplinary actions (which may range from verbal warning to summary dismissal) taken by the Associated Entity against its staff for breach of the Associated Entity's code of ethics or other misconduct (eg, involvement in financial crime), that give rise to concerns about the integrity of the staff during the financial year? [AQ22A0206_01]

- Yes
 No

6 (b) If the answer is "Yes" in (a), please state the number of staff involved in the aforementioned disciplinary actions. [AQ22A0206_02]

VII. Customer Due Diligence ("CDD")

7 (a) Please indicate the enhanced measures applied by the Associated Entity to the following types of clients assessed to present high ML/ TF risks. (Please choose all options that are applicable to the Associated Entity.) [AQ22A0207 01]

(A) Non-Hong Kong PEPs, high risk Hong Kong PEPs or high risk international organisation PEPs

(B) Other high risk clients

(i) Take reasonable measures to establish the client's or the beneficial owner's source of wealth and source of funds

(ii) Take additional measures to mitigate the risk of ML/ TF

(iii) Obtain approval from senior management to commence or continue the business relationship

(iv) Others

Please specify:

Please specify:

(v) N/A - the Associated Entity does not apply any enhanced measures to such type of clients.

Please provide further details (optional):

Please provide further details (optional):

7 (b) If the answer "Take additional measures to mitigate the risk of ML/ TF" in (a) is chosen, please indicate the additional measures applied by the Associated Entity to mitigate the risk of ML/ TF in its business relationship with the following types of clients assessed to present high ML/ TF risks. (Please choose all options that are applicable to the Associated Entity.) [AQ22A0207 02]

	<u>(A) Non-Hong Kong PEPs, high risk Hong Kong PEPs or high risk international organisation PEPs</u>	<u>(B) Other high risk clients</u>
<u>(i) Obtain additional information from a wide variety of sources on the client and (where appropriate) the beneficial owner of the client</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(ii) Increase the frequency of review of the existing CDD records</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(iii) Obtain additional information and corroborating it with other available sources on the purpose and intended nature of the business relationship or transaction</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(iv) Increase the number and timing of the controls applied and selecting patterns of transactions that need further examination</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(v) Where the client is a financial institution, obtain additional or more particular information about the financial institution's underlying customer base and its AML/ CFT controls</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(vi) Evaluate the information provided by the client with regard to destination of funds involved in the transaction and the reason for the transaction to better assess the risk of ML/ TF</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(vii) Require investment sale proceeds are paid to the client's bank account from which the funds for investment were originally transferred</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(viii) Others</u>	<input type="checkbox"/>	<input type="checkbox"/>
	Please specify: <input style="width: 60px; height: 20px;" type="text"/>	Please specify: <input style="width: 60px; height: 20px;" type="text"/>

VIII. Sanctions Screening

8 Please describe the circumstances under which the Associated Entity would conduct screening to prevent terrorist financing and sanctions violations ("sanctions screening"). (Please choose all options that are applicable to the Associated Entity.) [AQ22A0208]

Note: For the purpose of this question, a connected party of a client: (a) in relation to a corporation, means a director of the client; (b) in relation to a partnership, means a partner of the client; (c) in relation to a trust or other similar legal arrangement, means a trustee (or equivalent) of the client; and (d) in other cases, means a natural person holding a senior management position or having executive authority in the client.

- (a) Screening of new clients against the current terrorist and sanctions designations at the establishment of business relationship
- (b) Screening of beneficial owners of new clients against the current terrorist and sanctions designations at the establishment of business relationship
- (c) Screening of other connected parties^{Note} of, and persons purporting to act on behalf of, new clients against the current terrorist and sanctions designations at the establishment of business relationship using a risk-based approach
- (d) Screening of existing clients against all new and any updated terrorist and sanctions designations as soon as practicable after they are promulgated by the United Nations Security Council
- (e) Screening of beneficial owners of existing clients against all new and any updated terrorist and sanctions designations as soon as practicable after they are promulgated by the United Nations Security Council
- (f) Screening of other connected parties^{Note} of, and persons purporting to act on behalf of, existing clients against all new and any updated terrorist and sanctions designations as soon as practicable after they are promulgated by the United Nations Security Council using a risk-based approach
- (g) Others, please specify:
- (h) N/A - the Associated Entity has not put in place any sanctions screening mechanism. Please provide further details (optional):

IX. Transaction Information

Note 1: For the purpose of Part IX, client fund/ securities transactions handled by the Associated Entity which also involved the Intermediary and were subject to the AML/ CFT controls of the Intermediary are excluded.
Note 2: For the purpose of Part IX, where the answer is required to be reported in percentage and the reportable percentage is below 1%, please round the percentage to 2 decimal places.

9 (a) Please provide the total value of client fund transactions handled by the Associated Entity during the financial year. [AQ22A0209_01]

	<u>Total value (in HK\$'000)</u>
(i) <u>Client fund deposits</u>	<input type="text"/>
(ii) <u>Client fund withdrawals</u>	<input type="text"/>

9 (b) Does the Associated Entity accept the following types of cash transactions for clients? [AQ22A0209_02]

	<u>(A) Client fund deposits in the form of cash</u>	<u>(B) Client fund withdrawals in the form of cash (including bearer cheque, cashier order)</u>
<u>Yes</u>	<input type="radio"/>	<input type="radio"/>
<u>No</u>	<input type="radio"/>	<input type="radio"/>

9 (c) If the answer is "Yes" in Column (A) for (b), please provide the following information on client fund deposits in the form of cash accepted by the Associated Entity during the financial year. [AQ22A0209_03](i) Number of client fund deposits in the form of cash: (ii) Value of client fund deposits in the form of cash as a percentage of the Associated Entity's total value of client fund deposits reported in (a)(i): %**9 (d) If the answer is "Yes" in Column (B) for (b), please provide the following information on client fund withdrawals in the form of cash handled by the Associated Entity during the financial year. [AQ22A0209_04]**(i) Number of client fund withdrawals in the form of cash: (ii) Value of client fund withdrawals in the form of cash as a percentage of the Associated Entity's total value of client fund withdrawals reported in (a)(ii): %**10 (a) Does the Associated Entity handle the following types of third-party fund transactions for clients? [AQ22A0210_01]**

	<u>(A) Third-party deposits</u>	<u>(B) Third-party payments</u>
<u>Yes</u>	<input type="radio"/>	<input type="radio"/>
<u>No</u>	<input type="radio"/>	<input type="radio"/>

10 (b) Please indicate the percentage of clients that are required to conduct fund deposits and withdrawals through a designated bank account held in the client's own name.

%

10 (c) If the answer is "Yes" in Column (A) for (a), please provide the following information on third-party deposits handled by the Associated Entity for clients during the financial year. [AQ22A0210 02]

	<u>(A) Number of third-party deposits</u>	<u>(B) Value of third-party deposits as a percentage of the Associated Entity's total value of client fund deposits reported in Q.9(a)(i)</u>
(i) <u>Third-party deposits:</u>	<input type="text"/>	<input type="text"/> %
(ii) <u>Third-party deposits involving third parties that might pose higher risks:</u>	<input type="text"/>	<input type="text"/> %
(iii) <u>Third-party deposits where the due diligence for identifying and assessing a third-party deposit was completed after settling transactions with the deposited funds:</u>	<input type="text"/>	<input type="text"/> %

10 (d) If the answer is "Yes" in Column (B) for (a), please provide the following information on third-party payments handled by the Associated Entity for clients during the financial year. [AQ22A0210 03]

	<u>(A) Number of third-party payments</u>	<u>(B) Value of third-party payments as a percentage of the Associated Entity's total value of client fund withdrawals reported in Q.9(a)(ii)</u>
(i) <u>Third-party payments:</u>	<input type="text"/>	<input type="text"/> %
(ii) <u>Third-party payments involving third parties that might pose higher risks:</u>	<input type="text"/>	<input type="text"/> %

11 (a) Does the Associated Entity handle the following types of client transactions via cross-border fund transfer? [AQ22A0211_01]

	(A) Client fund deposits involving cross-border fund transfer	(B) Client fund withdrawals involving cross-border fund transfer
Yes	<input type="radio"/>	<input type="radio"/>
No	<input type="radio"/>	<input type="radio"/>

11 (b) If the answer is "Yes" in Column (A) for (a), please provide the following information on client fund deposits involving cross-border fund transfer handled by the Associated Entity during the financial year. [AQ22A0211_02]

(i) Number of client fund deposits involving cross-border fund transfer:

(ii) Value of client fund deposits involving cross-border fund transfer as a percentage of the Associated Entity's total value of client fund deposits reported in Q.9(a)(i): %

11 (c) Please identify the top 10 countries or jurisdictions (in terms of value of fund deposits to client accounts from the country or jurisdiction) during the financial year and indicate whether any of these countries or jurisdictions are classified as high risk according to the Associated Entity's policies and procedures.

(Please choose all options that are applicable to the Associated Entity.) [AQ22A0211_03]

	(A) Country or jurisdiction	(B) Is the country or jurisdiction classified as high risk?	
		Yes	No
<input type="checkbox"/> (i) Top 1	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (ii) Top 2	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (iii) Top 3	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (iv) Top 4	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (v) Top 5	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (vi) Top 6	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (vii) Top 7	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (viii) Top 8	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (ix) Top 9	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (x) Top 10	<input type="text"/>	<input type="radio"/>	<input type="radio"/>

11 (d) If the answer is "Yes" in Column (B) for (a), please provide the following information on client fund withdrawals involving cross-border fund transfer handled by the Associated Entity during the financial year. [AQ22A0211_04]

(i) Number of client fund withdrawals involving cross-border fund transfer:

(ii) Value of client fund withdrawals involving cross-border fund transfer as a percentage of the Associated Entity's total value of client fund withdrawals reported in Q.9(a)(ii): %

11 (e) Please identify the top 10 countries or jurisdictions (in terms of value of fund withdrawals from client accounts to the country or jurisdiction) during the financial year and indicate whether any of these countries or jurisdictions are classified as high risk according to the Associated Entity's policies and procedures.

(Please choose all options that are applicable to the Associated Entity.) [AQ22A0211_05]

	(A) Country or jurisdiction	(B) Is the country or jurisdiction classified as high risk?	
		Yes	No
<input type="checkbox"/> (i) Top 1	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (ii) Top 2	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (iii) Top 3	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (iv) Top 4	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (v) Top 5	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (vi) Top 6	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (vii) Top 7	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (viii) Top 8	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (ix) Top 9	<input type="text"/>	<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (x) Top 10	<input type="text"/>	<input type="radio"/>	<input type="radio"/>

12 (a) Does the Associated Entity effect securities transfers to/ from third party for clients^{Note?} [AQ22A0212_01]

Note: "Securities transfers to/ from third party for clients" should exclude transfer of securities to/ from clearing houses or intermediaries on behalf of a client for settlement of trades of the client.

- Yes
 No

12 (b) If the answer is "Yes" in (a), please provide details of securities transfers to/ from third parties effected for clients by the Associated Entity during the financial year. [AQ22A0212_02]

Note: Please estimate the value of securities involved in the transfers with reference to the closing price of the securities on the day of transfer.

(i) Number of transactions involving securities transferred to/ from third-party:

(ii) Of which number of transactions involving securities transferred with no cash or other considerations exchanged through the Associated Entity:

(iii) Value of securities^{Note} transferred to/ from third-party (in HK\$'000):

(iv) Of which value of securities transferred with no cash or other considerations exchanged through the Associated Entity (in HK\$'000):

X. Transaction Monitoring and Suspicious Transaction Reporting

13 (a) Please indicate the transaction monitoring systems and processes adopted by the Associated Entity to assist its staff to identify potentially suspicious transactions in relation to the following types of client transactions or activities.

(Please choose all options that are applicable to the Associated Entity.) [AQ22A0213 01]

	<u>(A) Movement of funds</u>	<u>(B) Movement of securities</u>
<u>(i) Pre-transaction review and approval based on pre-set evaluation criteria</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(ii) Use of exception reports, including large/ irregular transaction reports</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(iii) Use of system-generated transaction monitoring alerts</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(iv) Provision of a list of ML/ TF red flags for staff to spot and report to Money Laundering Reporting Officer ("MLRO") any unusual or potentially suspicious transactions identified</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(v) Others</u>	<input type="checkbox"/>	<input type="checkbox"/>
	<u>Please specify:</u>	<u>Please specify:</u>
	<input type="text"/>	<input type="text"/>
<u>(vi) N/A - the Associated Entity does not handle this type of transactions for clients.</u>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
<u>(vii) N/A - the Associated Entity does not implement systems and processes to monitor this type of client transactions.</u>	<u>Please provide further details (optional):</u>	<u>Please provide further details (optional):</u>
	<input type="text"/>	<input type="text"/>

13 (b) Please provide the following information in relation to the Associated Entity's arrangement for reviewing the adequacy and effectiveness of its transaction monitoring systems and processes, including (where applicable) parameters and thresholds adopted.

(i) Please indicate the frequency of review of the Associated Entity's transaction monitoring systems and processes.

(Please choose all options that are applicable to the Associated Entity.) [AQ22A0213 03 01]

- (A) Periodic review
- At least annually
- At least biennially (ie, at least once every two years)
- Less frequent than biennially. Please provide further details (optional):
- (B) Ad hoc and/ or event-triggered
- (C) Never

(ii) Please indicate the month and year (MM/YY) in which the last review of the transaction monitoring systems and processes of the Associated Entity was completed. [AQ22A0213 03 02]

14 Please indicate the procedures adopted by the Associated Entity to identify cross-border fund transfer into/ out of client accounts that may give rise to grounds for ML/ TF suspicion. (Please choose all options that are applicable to the Associated Entity.) [AQ22A0214]

- (a) Identify whether the fund transfer involved jurisdictions posing a higher risk without reasonable explanation, which are not consistent with the client's declared business dealings or interests
- (b) Identify whether the fund transfer involved other financial institutions in different jurisdictions from the financial institutions where the funds were initially received
- (c) Ascertain the reasons for making cross-border fund transfer and assess reasonableness of the transactions against client profile and historical transaction patterns
- (d) Seek senior management's approval before accepting/ effecting the cross-border fund transfer into/ out of client accounts which are found to be suspicious
- (e) Others, please specify:
- (f) N/A - the Associated Entity does not have any procedures to identify cross-border fund transfer into/ out of clients accounts that may give risk to grounds for ML/ TF suspicion. Please provide further details (optional):

15 (a) Please indicate the due diligence policies and procedures adopted by the Associated Entity to identify client fund deposits in the form of cash or involving third-party deposit ("Due diligence procedures on the source of deposit").
(Please choose all options that are applicable to the Associated Entity.) [AQ22A0215_01]

	<u>(A) Deposits in the form of cash</u>	<u>(B) Third-party deposits</u>
<u>(i) Make enquiry with the client to confirm the means of deposit (eg, cash, cheque, bank transfer) and whether the deposit is made by a third party</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(ii) Obtain supporting documents (eg, bank deposit slips, cheque copies, etc) from the client to ascertain the means of deposit and name of depositor</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(iii) Review bank statements or advices (or obtain information from bank) to ascertain the means of deposit and name of depositor</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(iv) Review bank statements or advices (or obtain information from bank) to ascertain whether the funds are deposited through designated bank accounts held in their own names</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>(v) Others</u>	<u>Please specify:</u> <input type="text"/>	<u>Please specify:</u> <input type="text"/>
<u>(vi) N/A - the Associated Entity does not have any due diligence policies and procedures to identify client fund deposits in the form of cash/ involving third-party deposits.</u>	<input type="checkbox"/> <u>Please provide further details (optional):</u> <input type="text"/>	<input type="checkbox"/> <u>Please provide further details (optional):</u> <input type="text"/>

15 (b) Please indicate the scope of application of the due diligence procedures on the source of deposit chosen in (a). [AQ22A0215_02]

- (i) All client fund deposit transactions are subject to the due diligence procedures on the source of deposit
- (ii) Only those client fund deposit transactions meeting certain criteria/ thresholds are subject to the due diligence procedures on the source of deposit
- (iii) Others, please specify:

15 (c) Please indicate the evaluation policies and procedures adopted by the Associated Entity to assess whether a third-party deposit or third-party payment request may be accepted. (Please choose all options that are applicable to the Associated Entity.) [AQ22A0215_03]

	<u>(A) Third-party deposits</u>	<u>(B) Third-party payments</u>
--	----------------------------------------	----------------------------------------

(i) Clearly define in policies and procedures the exceptional and legitimate circumstances (including examples of acceptable third-party payors or payees) under which third-party deposits or third-party payment requests may be accepted

(ii) Take reasonable measures on a risk-sensitive basis to verify the identity of the third party and ascertain the relationship between the third party and the client

(iii) Critically evaluate the reasons and the need for third-party deposits or payments

(iv) Review if the third-party deposit or third-party payment request falls under the exceptional and legitimate circumstances as stipulated in the Associated Entity's policies and procedures

(v) Obtain the approval of the Manager-In-Charge of AML/ CFT, another member of senior management with a relevant role at the Associated Entity with respect to AML/ CFT, or the MLRO (collectively "third-party deposit or payment approvers") for the acceptance for a third-party deposit or payment

(vi) Apply enhanced scrutiny to those third parties which might pose higher risks, and require the dual approval of deposits or payments from or to such third parties by the third-party deposit or payment approvers

(vii) Review periodically or upon trigger event for a standing approval given for accepting deposits or payments from or to a particular third-party to ensure that the approval remains appropriate

(viii) Document the findings of inquiries made and corroborative evidence obtained during the evaluation process as well as the approval of a third-party deposit or payment request

(ix) Others

Please specify:

Please specify:

(x) N/A - the Associated Entity does not have any evaluation policies and procedures to assess whether a third-party deposit or third-party payment request may be accepted.

Please provide further details (optional):

Please provide further details (optional):

15 (d) Please indicate the risk management policies and procedures adopted by the Associated Entity if it allows clients to utilise their deposited funds prior to the completion of the third-party deposit due diligence (namely due diligence on the source of a deposit or evaluation of a third-party deposit) in exceptional situations.

(Please choose all options that are applicable to the Associated Entity.) [AQ22A0215 04]

- (i) Clearly define in policies and procedures the exceptional situations and conditions under which a client may utilise the deposited funds prior to the completion of the third-party deposit due diligence
- (ii) Establish a reasonable timeframe for the completion of the third-party deposit due diligence, and the follow-up actions if the stipulated timeframe is exceeded (eg, to suspend or terminate the business relationship)
- (iii) Place appropriate limits on the number, types, and/ or amount of transactions that can be performed by the client prior to the completion of third-party deposit due diligence on the client's deposited funds
- (iv) Perform enhanced monitoring of transactions carried out by or for the client prior to the completion of third-party deposit due diligence on the client's deposited funds
- (v) Ensure senior management is periodically provided with sufficient information to exercise oversight of all cases involving delay in completing third-party deposit due diligence
- (vi) Others, please specify:
- (vii) N/A - the Associated Entity does not allow clients to utilise their deposited funds prior to the completion of the third-party deposit due diligence.
- (viii) N/A - the Associated Entity does not have any risk management policies and procedures governing the application of delayed third-party deposit due diligence. Please provide further details (optional):

16 Please indicate the policies and procedures adopted by the Associated Entity to identify securities transfers to/ from third parties that may give rise to grounds of ML/ TF suspicion.

(Please choose all options that are applicable to the Associated Entity.) [AQ22A0216]

- (a) Understand and document the relationship between the third party and the client
- (b) Ascertain the reasons for the securities transfers to/ from third parties by making enquiry with the client to understand the purpose and background of the securities transfer
- (c) Assess the reasonableness of the securities transfers against client profile and historical transaction patterns and evaluate whether it is commensurate with the client's background and/ or financial profile
- (d) Require senior management's approval for the securities transfers to/ from third parties
- (e) Others, please specify:
- (f) N/A - the Associated Entity does not have any policies and procedures to identify securities transfers to/ from third parties that may give rise to grounds of ML/ TF suspicion. Please provide further details (optional):

17 Please describe the procedures in place for the MLRO to evaluate whether the relevant transaction or the relevant client's request as reported in an internal disclosure is suspicious. (Please choose all options that are applicable to the Associated Entity.) [AQ22A0217]

- (a) Obtain information about the rationale of the transaction or client request from the client/ other person, to the extent not constituting tipping-off
- (b) Review CDD and ongoing monitoring information concerning the client and its connected accounts (including the screening results in relation to sanctions, PEP and adverse news relating to ML/ TF and other financial crimes)
- (c) Review previous transaction patterns and volumes of the client and its connected accounts
- (d) Evaluate the transaction or client request to ensure that it is consistent with the Associated Entity's knowledge of the client, the client's business, risk profile and source of funds
- (e) Document the review process, together with any conclusions drawn
- (f) Others, please specify:
- (g) N/A - the Associated Entity does not have any procedures in place to evaluate whether an internal disclosure is suspicious. Please provide further details (optional):
- (h) N/A - procedures for the MLRO to evaluate whether the relevant transaction or the relevant client's request as reported in an internal disclosure is suspicious are not applicable to the Associated Entity given the nature of its business activities. Please explain:

18 Please indicate the number of (A) transaction monitoring alerts/ alerts captured in exception reports and (B) internal reports of suspicious transactions pending for the Associated Entity's review as at the end of the financial year, and analysis by their ageing^{Note}. [AQ22A0218]

Note: The ageing should be determined with reference to the date of alert/ report generation for (A), and to the date of receipt of internal report by the MLRO for (B).

	<u>(A) Transaction monitoring alerts/ alerts captured in exception reports</u>	<u>(B) Internal reports of suspicious transactions</u>
<u>(a) Over one month but within three months</u>	<input type="text"/>	<input type="text"/>
<u>(b) Over three months but within six months</u>	<input type="text"/>	<input type="text"/>
<u>(c) Over six months</u>	<input type="text"/>	<input type="text"/>

19 Please provide the following information in relation to suspicious transaction reporting of the Associated Entity for the financial year. [AQ22A0219]

Note: For the purpose of this question, internal disclosures that were also made to the MLRO of the Intermediary and suspicious transaction reports that were also filed by the Intermediary to the Joint Financial Intelligence Unit ("JFIU") are excluded.

- (a) Number of internal disclosures made by staff to the MLRO:
- (b) Number of internal disclosures reported in (a) above that resulted in filing of suspicious transaction reports ("STRs") to the JFIU:
- (c) Number of STRs filed to the JFIU:
- (d) Number of STRs reported in (c) above that received a "no consent" response from the JFIU:
- (e) Number of STRs reported in (c) above analysed by the following categories of offence to which the STRs were related:

Note: Please indicate the most relevant category of offence for each STR if more than one categories were chosen in the STR disclosure.

- (i) Corruption and bribery
- (ii) Fraud
- (iii) Insider dealing/ market manipulation
- (iv) Proliferation financing
- (v) Tax crimes
- (vi) Terrorism/ terrorist financing
- (vii) Others, please specify:
- (viii) Cannot be identified

XI. Requests from Law Enforcement Agencies ("LEAs")

Note 1: Requests received from LEAs refer to those received from, eg, the Hong Kong Police, the Custom and Excise Department and the Independent Commission Against Corruption.

Note 2: For the purpose of this question, LEA requests that were also received by the Intermediary are excluded.

20 (a) Did the Associated Entity receive any types of requests from LEAs during the financial year? [AQ22A0220 01]

- Yes
 No

20 (b) If the answer is "Yes" in (a), please provide the number of the following types of requests received from LEAs during the financial year. [AQ22A0220 02]

	<u>Number of requests received from LEAs</u>
<u>(i) Search warrant</u>	<input type="text"/>
<u>(ii) Production order</u>	<input type="text"/>
<u>(iii) Restraint order</u>	<input type="text"/>
<u>(iv) Confiscation order</u>	<input type="text"/>
<u>(v) Others, please specify:</u> <input type="text"/>	<input type="text"/>

Supplementary Information (AQ17040A)

If the Associated Entity finds any questions where the available answer options do not completely describe its situation, it may provide additional, relevant information to supplement or clarify its answers to those questions in the table below. [AQ17040A]

Section reference (eg, A)	Relevant question (eg, 6(a))	Supplementary information
<input type="text"/>	<input type="text"/>	<input type="text"/>