

Dear Sir,

On behalf of VTB Capital Hong Kong Limited, we are pleased to provide the following comments and queries in relation to the proposed guideline on anti-money laundering and counter-terrorist financing:

#### Section 4.4.3

This section specifies that “as a general rule FIs should verify the identity of those authorized to give instructions for the movement of funds or assets.”

We are pleased to see the carve out of “traders” in the guideline. However, under the new definition of “persons purporting to act on behalf of the clients” means those authorized to give instructions for the movement of funds or assets – and that could create confusion as settlement staff could be fallen into this definition as they perform trade settlement (which involve movement of funds and assets). Please clarify.

On the other hand, it is impractical to verify the identity of long lists of authorised signatories for this group of “authorised persons” and we would suggest that FIs can adopt a risk based approach in this verification process.

#### Section 4.9.11

This section specifies that FIs need to record the legal name, residential address, date of birth, nationality and identity document type and number of all directors.

We do not think it is practical to do so, particularly in some foreign enterprises. We would suggest that FIs can adopt a risk based approach in this process.

#### Section 4.9.11/4.10.9

These sections specifies that FIs need to identify and record the identity of all directors, including listed company.

We believe that the relevant regulatory authorities should have performed vetting on those directors of listed company and it will cost extra effort in verifying again. We would suggest that FIs can adopt a risk based approach in this process.

#### Section 4.9.12

This section requires FIs to perform a company registry search and obtain a full company search report in respect of all locally incorporated private (i.e. non-listed) companies and companies incorporated in jurisdictions which have a public company registry.

We opine that it will place heavy burden on FIs to do compulsory company search on companies which incorporated in a country where public registry is available. At the time of account opening FIs are required to obtain certified copy of corporate documents from clients. We believe that FIs can adopt a risk based approach in this process. For example, we could do company research on medium/high risk private companies. We also opine that it is not practical to do company research on listed/regulated entities.

We are pleased to provide further assistance on this matter.

Many thanks for your kind attention.

Kind regards,

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