



MSSB/FATF_02/2020

13 May 2020

Circular to Money Service Operators

Financial Action Task Force Paper
COVID-19-related Money Laundering and Terrorist Financing Risks

The Customs and Excise Department would like to draw the attention of money service operators (“MSOs”) to a paper published by the Financial Action Task Force (“FATF”) on 4 May 2020 entitled “COVID-19-related Money Laundering and Terrorist Financing Risks and Policy Responses”, which is available on the FATF’s website

(<https://www.fatf-gafi.org/publications/fatfgeneral/documents/covid-19-ml-tf.html>).

The paper includes a statement from the FATF President, issued on 1 April 2020, on how the risk-based approach of the FATF Standards provides for emerging threats and vulnerabilities to be managed effectively and in support of COVID-19 aid and containment efforts. Besides, the focus of the paper relates to three broad themes which are:-

- (1) New threats and vulnerabilities stemming from COVID-19-related crime and impacts on money laundering and terrorist financing (“ML/TF”) risks;
- (2) Current impact on anti-money laundering/counter-financing of terrorism (“AML/CFT”) efforts by governments and the private sector due to COVID-19;
- (3) Suggested AML/CFT policy responses to support the swift and effective implementation of measures to respond to COVID-19, while managing new risks and vulnerabilities identified, including: charitable activity and economic and fiscal stimulus and financial rescue packages for firms and individuals.

MSOs are advised to review the paper carefully to enhance the understanding of the emerging ML/TF risks and the range of possible approaches that can be adopted, depending on individual MSO’s own situation, risk profile and risk appetite.

Should you have any queries regarding the contents of this circular, please contact us at 2707 7800.

Money Service Supervision Bureau
Customs and Excise Department

End