

2. **What are customer due diligence measures**

- (1) The following measures are customer due diligence measures applicable to a financial institution or a DNFBP—
- (a) for a financial institution, or a DNFBP who is a TCSP licensee or a Category B PMS registrant, identifying the customer and verifying the customer’s identity on the basis of documents, data or information provided by—
    - (i) a governmental body;
    - (ii) the relevant authority or any other relevant authority;
    - (iii) an authority in a place outside Hong Kong that performs functions similar to those of the relevant authority or any other relevant authority;
    - (iiia) a recognized digital identification system; or
    - (iv) any other reliable and independent source that is recognized by the relevant authority;
  - (ab) for a DNFBP who is an accounting professional, an estate agent or a legal professional, identifying the customer and verifying the customer’s identity on the basis of documents, data or information provided by—
    - (i) a governmental body;
    - (ii) the relevant regulatory body;
    - (iii) an authority in a place outside Hong Kong that performs functions similar to those of the relevant regulatory body;
    - (iiia) a recognized digital identification system; or
    - (iv) any other reliable and independent source that is recognized by the relevant regulatory body;

Notes to (1)(a) and (ab):

- (a) An FI or specified DNFBP (obligated entity) is required to apply CDD measures to identify customer and verify customer's ID using docs, data or information as provided by designated bodies and regulators (agencies).

**Who** the obligated entity is an FI, or DNFBP that is a TCSP licensee or Category B PMS registrant;  
**does what,** to apply CDD measures. That is, identifying the customer and verifying his/her ID;  
**and how ?** using documents, data or information, provided by designated agencies listed in subsections (1)(a)(i), (ii), (iii), (iiia), and (iv).

- (ab) A specified DNFBP is required to apply CDD measures to identify customer and verify customer's ID using documents, data or information provided by the designated agencies under Section 2(1)(ab).

**Who** the obligated entity is accounting professional, estate agent, or legal professional;  
**does what,** to apply CDD measures. That is, identifying the customer and verifying his/her ID;  
**and how ?** using documents, data or information provided by designated agencies listed in subsections (1)(ab)(i), (ii), (iii), (iiia), and (iv).

Section 2(1)(ab) has the same contents as section 2(1)(a), except that **relevant authority** is replaced by **relevant regulatory body**, as are defined in Part 2, Schedule 1.

## 2. What are customer due diligence measures

### Part 2

#### 1. In this Ordinance—

regulatory body (監管機構), in relation to—

- (a) an accounting professional—means—
  - (i) (subject to subparagraphs (ii) and (iii)) the AFRC;
  - (ii) (for the purposes of section 4) the AFRC or the HKICPA; or
  - (iii) (for the purposes of section 7(1), (2) and (3)) the HKICPA as overseen by the AFRC under section 9(b) of the Accounting and Financial Reporting Council Ordinance (Cap. 588);
- (b) an estate agent—means the Estate Agents Authority; and
- (c) a legal professional—means the Law Society;

relevant authority (有關當局)—

- (a) in relation to an authorized institution or SVF licensee, means the Monetary Authority;
- (b) in relation to a licensed corporation, means the Securities and Futures Commission;
- (c) in relation to an authorized insurer, licensed individual insurance agent, licensed insurance agency or licensed insurance broker company, means the Insurance Authority;
- (d) in relation to a licensed money service operator or to the Postmaster General, means the Commissioner;
- (e) in relation to a TCSP licensee, means the Registrar;
- (f) in relation to a licensed VAS provider or an associated entity of a licensed VAS provider, means the Securities and Futures Commission; and
- (g) in relation to a PMS registrant, means the Commissioner;

2. **What are customer due diligence measures**

- (b) if there is a beneficial owner in relation to the customer, identifying the beneficial owner and taking reasonable measures to verify the beneficial owner's identity so that the financial institution or the DNFBP is satisfied that the financial institution or the DNFBP knows who the beneficial owner is, including, where the customer is a legal person or trust, measures to enable the financial institution or the DNFBP to understand the ownership and control structure of the legal person or trust;
  - (c) if a business relationship is to be established, obtaining information on the purpose and intended nature of the business relationship with the financial institution or the DNFBP, unless the purpose and intended nature are obvious; and
  - (d) if a person purports to act on behalf of the customer—
    - (i) for a financial institution, or a DNFBP who is a TCSP licensee or a Category B PMS registrant, identifying the person and taking reasonable measures to verify the person's identity on the basis of documents, data or information provided by—
      - (A) a governmental body;
      - (B) the relevant authority or any other relevant authority;
      - (C) an authority in a place outside Hong Kong that performs functions similar to those of the relevant authority or any other relevant authority; or
      - (D) any other reliable and independent source that is recognized by the relevant authority;
    - (ia) for a DNFBP who is an accounting professional, an estate agent or a legal professional, identifying the person and taking reasonable measures to verify the person's identity on the basis of documents, data or information provided by—
      - (A) a governmental body;
      - (B) the relevant regulatory body;
      - (C) an authority in a place outside Hong Kong that performs functions similar to those of the relevant regulatory body; or
      - (D) any other reliable and independent source that is recognized by the relevant regulatory body; and
    - (ii) verifying the person's authority to act on behalf of the customer.
- (2) (Repealed 4 of 2018 s. 26)

Notes to (1)(b)

Scenarios 2(b)-1 "if there is a beneficial owner in relation to the customer", and 2(b)-2 "where the customer is a legal person or trust".

**Who** an FI or specified DNFBP is the obligated entity,  
**does what, and** 2(b)-1, identifying BO and verifying BO's ID;  
2(b)-2, understanding ownership and control structure of legal person or trust,  
**for what purpose?** the FI or DNFBP knows to its satisfaction who the BO is.

Notes to (1)(c)

Scenario 2(c) "if a business relationship is to be established".

**Who** an FI or specified DNFBP is the obligated entity,  
**does what ?** obtaining information on the purpose and intended nature of the business relationship with the FI or the DNFBP.

Notes to (1)(d)

Scenario 2(d) "if a person purports to act on behalf of the customer".

**Who** (i) the obligated entity is a FI, or a DNFBP who is a TCSP licensee or a Category B PMS registrant  
(ia) the obligated entity is a DNFBP who is an accounting professional, an estate agent or a legal professional".  
**does what,** identifying the person and taking reasonable measures to verify the person's identity on the basis of documents, data or information provided,  
and verifying the person's authority to act for the customer.  
**and how?** (i) using documents, data or information provided under Section 2(1)(d)(i).  
(ia) using documents, data or information provided under Section 2(1)(d)(ia)

Section 2(1)(d)(ia) - (A), (B), (C), (D) have the same contents as above, except that relevant authority is replaced by relevant regulatory body, as are defined in Part 2, Sch 1.