



Ms. Angelina Kwan
Financial Services Branch
Financial Services and the Treasury Bureau
18th Floor, Tower 1
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18 Harcourt Road
Hong Kong

23 September 2009

Dear Angelina,

**Consultation Paper on the
Conceptual Framework of the Legislative Proposal to
Enhance the Anti-Money Laundering (AML) Regulatory Regime
in respect of the Financial Sectors**

Thank you for your letter dated 9 July 2009 and thank you for allowing us the opportunity to review and comment on the above.

As the leading professional body representing the interests of the financial planning community in Hong Kong, IFPHK believes that it is important to respond to government and regulatory proposals and consultations on significant policy issues that might result in an immediate to major impact on the financial planning industry or the financial planning community and/or their clients (either as individuals or institutions).

Having reviewed the Consultation Paper, we are of the view that matters outlined therein could directly or indirectly impact members of IFPHK who comprise of financial planning practitioners in the banking, independent financial adviser and insurance sectors.

IFPHK agreed to the underlying principle outlined in the Consultation Paper that there is a need to provide statutory backing to the current regime in force, for reason of stepping up with the international standard as required by FATF, and in order to maintain Hong Kong's world recognised status in financial services.

We understand that detail rules will be drafted upon conclusion of this Phase 1 consultation and noted that a Phase 2 consultation on the new draft rules will be launched in late 2009. We also understand that this consultation mainly aims at collecting views from, among others, professional organisations on the proposed statutory backing.


Having considered the above underlying principles, and based on the understanding that a Phase 2 comprehensive consultation on the new rules will be launched, IFPHK endorses in general the proposals as contained in the Consultation Paper to provide statutory backing to items named therein which represent the current regime in force, subject to the following pre-requisites:

- 1) Any new legislation to be enacted will be based on the existing rules, principles and guidelines currently in force and imposed on practitioners, and will not impose additional onus and/or burden on daily operations and/or fulfilment of compliance obligations.
- 2) The power to be introduced to the regulatory authorities for investigation and seizure will be subject to control and coupled with suitable safeguards to avoid abuses, and should not be additional to what currently allowed.

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Please note that the above views is the collective general views of IFPHK management and do not reflect a comprehensive membership consultation process. However, do let us know if any of those views are unclear and/or require further elaborations.

We are very interested to continue to be involved in the consultation and are happy to contribute and comment on the matter, any new proposals, and on any draft new rules. For your information, as the leading industry association for financial planners in Hong Kong with over 10,000 members it is anticipated that IFHK will develop a series of Guidance Notes and run professional training sessions to educate our members in relation to revised anti money laundering rules and procedures prior to implementation of the proposed changes in 2010.

Once again, we thank you for allowing us this opportunity to be involved in the consultation.


Yours sincerely,

Angeline Chin
Chief Executive Officer
Institute of Financial Planners of Hong Kong

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